UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): November 27, 2012 (November 21, 2012)

Acadia Healthcare Company, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**001-35331**	**46-2492228**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

830 Crescent Centre Drive, Suite 610, Franklin, Tennessee 37067
(Address of Principal Executive Offices)

(615) 861-6000
(Registrant's Telephone Number, including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into Material Definitive Agreement.

Acquisition of Behavioral Centers of America, LLC

On November 21, 2012, Commodore Acquisition Sub, LLC, a Delaware limited liability company ("BCA Buyer") and wholly-owned subsidiary of Acadia Healthcare Company, Inc., a Delaware corporation ("Acadia"), entered into an Acquisition Agreement (the "Acquisition Agreement") with Behavioral Centers of America, LLC, a Delaware limited liability company ("BCA"), Behavioral Centers of America Holdings, LLC, a Delaware limited liability company ("Holdings"), Linden BCA Blocker Corp., a Delaware corporation ("Linden Blocker"), SBOF-BCA Holdings Corporation, a Delaware corporation ("Siguler Blocker"), HEP BCA Holdings Corp., a Delaware corporation ("HEP Blocker" and together with Linden Blocker and Siguler Blocker, the "Blockers"), Siguler Guff Small Buyout Opportunities Fund, LP, a Delaware limited partnership, and Siguler Guff Small Buyout Opportunities Fund (F), LP, a Delaware limited partnership (together, "Siguler"), Health Enterprise Partners, L.P., a Delaware limited partnership, and HEP BCA Co-Investors, LLC, a Delaware limited liability company (together, "HEP"), and Linden Capital Partners A, LP, a Delaware limited partnership ("Linden" and, together with Holdings, Siguler and HEP, the "BCA Sellers").

Under the terms of the Acquisition Agreement, (i) Linden, Siguler and HEP will sell to BCA Buyer, and BCA Buyer will buy from Linden, Siguler and HEP, all of the outstanding capital stock of the Blockers, and (ii) Holdings will sell to BCA Buyer and BCA Buyer will buy from Holdings, all of the outstanding membership interests of BCA held by Holdings, such that BCA Buyer will own, directly or indirectly, all of the outstanding membership interests of BCA. BCA is engaged in the business of owning, operating and managing behavioral healthcare facilities. Acadia joined the Acquisition Agreement for the purpose of guarantying BCA Buyer's obligations under the Acquisition Agreement. The companies expect to close the transaction, subject to the closing conditions described below, in late December 2012. The aggregate purchase price for the transaction to be paid by BCA Buyer to the BCA Sellers is $145.0 million in cash, as adjusted for net working capital at closing.

The Acquisition Agreement contains customary representations, warranties, covenants and indemnities. Consummation of the transaction is subject to various conditions, including expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR"), and other customary closing conditions. The Acquisition Agreement contains termination rights, including a right for either party to terminate the Acquisition Agreement if the closing has not occurred on or before December 31, 2012, subject to certain conditions.

The foregoing summary of the Acquisition Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Acquisition Agreement attached as Exhibit 2.1 and incorporated herein by reference.

Acquisition of AmiCare Behavioral Centers, LLC

On November 23, 2012, Acadia entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with 2C4K, LP, a Texas limited partnership ("2C4K"), ARTC Acquisitions, Inc., a Delaware corporation ("ARTC," and together with 2C4K, each an

"AmiCare Seller" and collectively, the "AmiCare Sellers"), and Acadia Vista, LLC, a Delaware limited liability company and wholly-owned subsidiary of Acadia ("AmiCare Buyer"). Under the terms of the Purchase Agreement, the AmiCare Sellers will sell to AmiCare Buyer, and AmiCare Buyer will buy from the AmiCare Sellers, all of the outstanding membership interests of AmiCare Behavioral Centers, LLC, a Delaware limited liability company ("AmiCare"). AmiCare and its subsidiaries are engaged in the business of owning, operating and managing behavioral healthcare facilities. Acadia joined the Purchase Agreement for the purpose of being responsible, on a joint and several basis, with AmiCare Buyer for the payment and performance of all of the obligations of AmiCare Buyer arising under the Purchase Agreement. The companies expect to close the transaction, subject to the closing conditions described below, in late December 2012. The purchase price for the transaction to be paid by AmiCare Buyer to the AmiCare Sellers is $113.0 million in cash, as adjusted for net working capital at closing.

The Purchase Agreement contains customary representations, warranties, covenants and indemnities. Consummation of the transaction is subject to various conditions, including expiration or termination of applicable waiting periods under HSR, receipt of material governmental and other third party consents and approvals and other customary closing conditions. The Purchase Agreement contains termination rights, including a right for either party to terminate the Purchase Agreement if the closing has not occurred on or before December 31, 2012, subject to certain conditions.

The foregoing summary of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Purchase Agreement attached as Exhibit 2.2 and incorporated herein by reference.

Item 8.01 Other Events.

On November 27, 2012, Acadia issued a press release announcing entry into the Acquisition Agreement and the Purchase Agreement. A copy of the press release is attached as Exhibit 99 hereto, and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
2.1	Acquisition Agreement, dated as of November 21, 2012, by and among Commodore Acquisition Sub, LLC, Behavioral Centers of America, LLC, Behavioral Centers of America Holdings, LLC, Linden BCA Blocker Corp., SBOF-BCA Holdings Corporation, HEP BCA Holdings Corp., Siguler Guff Small Buyout Opportunities Fund, LP, Siguler Guff Small Buyout Opportunities Fund (F), LP, Health Enterprise Partners, L.P., and Linden Capital Partners A, LP*
2.2	Membership Interest Purchase Agreement, dated as of November 23, 2012, by and among 2C4K, LP, ARTC Acquisitions, Inc., Acadia Vista, LLC and Acadia Healthcare Company, Inc.*
99	Press Release of Acadia Healthcare Company, Inc., dated November 27, 2012

* Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Acadia agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ACADIA HEALTHCARE COMPANY, INC.

Date: November 27, 2012

By: /s/ Christopher L. Howard
Christopher L. Howard
Executive Vice President and General Counsel

INDEX TO EXHIBITS

Exhibit No.	Description
2.1	Acquisition Agreement, dated as of November 21, 2012, by and among Commodore Acquisition Sub, LLC, Behavioral Centers of America, LLC, Behavioral Centers of America Holdings, LLC, Linden BCA Blocker Corp., SBOF-BCA Holdings Corporation, HEP BCA Holdings Corp., Siguler Guff Small Buyout Opportunities Fund, LP, Siguler Guff Small Buyout Opportunities Fund (F), LP, Health Enterprise Partners, L.P., and Linden Capital Partners A, LP*
2.2	Membership Interest Purchase Agreement, dated as of November 23, 2012, by and among 2C4K, LP, ARTC Acquisitions, Inc., Acadia Vista, LLC and Acadia Healthcare Company, Inc.*
99	Press Release of Acadia Healthcare Company, Inc., dated November 27, 2012

* Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Acadia agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

ACQUISITION AGREEMENT

by and among

BEHAVIORAL CENTERS OF AMERICA HOLDINGS, LLC,

BEHAVIORAL CENTERS OF AMERICA, LLC,

LINDEN BCA BLOCKER CORP.,

HEP BCA HOLDINGS CORP.,

SBOF-BCA HOLDINGS CORPORATION,

LINDEN CAPITAL PARTNERS-A LP,

SIGULER GUFF SMALL BUYOUT OPPORTUNITIES FUND, LP,

SIGULER GUFF SMALL BUYOUT OPPORTUNITIES FUND (F), LP,

HEALTH ENTERPRISE PARTNERS, L.P.

HEP BCA CO-INVESTORS, LLC,

ACADIA HEALTHCARE COMPANY, INC.,

and

COMMODORE ACQUISITION SUB, LLC

November 21, 2012

TABLE OF CONTENTS

LIST OF EXHIBITS

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (this "Agreement") is made as of November 21, 2012, by and among (i) Behavioral Centers of America, LLC, a Delaware limited liability company (the "Company"), (ii) Behavioral Centers of America Holdings, LLC, a Delaware limited liability company ("Holdings"), (iii) Linden BCA Blocker Corp., a Delaware corporation ("Linden Blocker"), (iv) SBOF-BCA Holdings Corporation, a Delaware corporation ("Siguler Blocker"), (v) HEP BCA Holdings Corp., a Delaware corporation ("HEP Blocker" and together with Linden Blocker and the Siguler Blocker, the "Blockers"), (vi) Siguler Guff Small Buyout Opportunities Fund, LP, a Delaware limited partnership, and Siguler Guff Small Buyout Opportunities Fund (F), LP, a Delaware limited partnership (collectively referred to as "Siguler"), (vii) Health Enterprise Partners, L.P., a Delaware limited partnership, HEP BCA Co-Investors, LLC, a Delaware limited liability company (collectively referred to as "HEP"), (viii) Linden Capital Partners-A, LP, a Delaware limited partnership ("Linden" and, together with Holdings, Siguler and HEP, each, a "Seller" and, collectively, the "Sellers"), (ix) Commodore Acquisition Sub, LLC, a Delaware limited liability company ("Buyer") and (x) Acadia Healthcare Company, Inc., a Delaware corporation ("Guarantor"). Unless otherwise defined herein, capitalized terms used herein are defined in Exhibit A attached hereto.

WHEREAS, as of the Closing, Holdings and the Blockers will own collectively 100% of the issued and outstanding units of the Company (the "Units");

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer desires to purchase from (i) Linden, and Linden desires to sell to Buyer, in lieu of directly acquiring the Units held by Linden Blocker as of the Closing, all of the issued and outstanding shares of capital stock of Linden Blocker (the "Linden Acquired Shares"), (ii) Siguler, and Siguler desires to sell to Buyer, in lieu of directly acquiring the Units held by Siguler Blocker as of the Closing, all of the issued and outstanding shares of capital stock of Siguler Blocker (the "Siguler Acquired Shares") and (iii) HEP, and HEP desires to sell to Buyer, in lieu of directly acquiring the Units held by HEP Blocker as of the Closing, all of the issued and outstanding shares of capital stock of HEP Blocker (the "HEP Acquired Shares" and, together with the Linden Acquired Shares and the Siguler Acquired Shares, the "Acquired Shares") for the consideration described herein;

WHEREAS, on the terms and subject to the conditions set forth in this Agreement, Buyer desires to purchase from Holdings, and Holdings desires to sell to Buyer, all of the Units held by Holdings as of the Closing (the "Acquired Units" and together with the Acquired Shares, the "Acquired Securities") for the consideration described herein; and

WHEREAS, prior to the Closing, the Company will distribute to Holdings 100% of the issued and outstanding limited liability company interests in BCA of Texas, LLC, a Delaware limited liability company and direct subsidiary of the Company ("BCA-TX"), as described in Section 1F.

WHEREAS, the respective boards of managers or directors or other governing bodies, as applicable, of each Seller, the Company, the Blockers and Buyer have approved this Agreement and the transactions contemplated hereby, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties and covenants herein contained, and intending to be legally bound, the parties hereto hereby agree as follows:

ARTICLE 1
PURCHASE AND SALE

1A. Purchase and Sale of Acquired Securities. On the terms and subject to the conditions set forth in this Agreement, at the Closing and upon payment of the Estimated Purchase Price by Buyer in accordance with Section 1C, Buyer shall purchase and accept from the Sellers, and the Sellers shall sell to Buyer, all of the Acquired Securities.

1B. Closing. On the terms and subject to the conditions set forth in this Agreement, the closing of the purchase and sale of the Acquired Securities and the other transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654 at 10:00 a.m. local time, on December 31, 2012, or such earlier date as mutually agreed upon by Representative and Buyer upon satisfaction of the conditions to Closing set forth in Article 2, or, if the conditions to Closing set forth in Article 2 shall not have been satisfied by such date (or waived in writing), on the second Business Day following the satisfaction (or waiver in writing) of such conditions. The date on which the Closing shall occur is referred to herein as the "Closing Date," and the Closing shall be deemed effective as of 12:01 a.m. (Chicago time) on the Closing Date. On the Business Day immediately prior to the Closing Date, Buyer and the Representative shall conduct a pre-Closing at the same location as the Closing, commencing at 10:00 a.m. local time, at which each of Buyer and the Representative shall present for review by the other party copies in execution form of all documents required to be delivered by such party at the Closing. At the Closing, Buyer shall deliver to the Representative all of the certificates, instruments and documents required to be delivered by Buyer under Section 2C in order for the conditions of each of the Sellers and the Company to be satisfied, and the Representative shall deliver to Buyer all of the certificates, instruments and documents required to be delivered under Section 2B in order for the conditions of Buyer to be satisfied. At the election of the Buyer and Representative, the pre-Closing and the Closing may take place through an exchange of documents, instruments and consideration, as applicable, using wire transfers, overnight courier service, electronic mail and/or facsimile transmission.

1C. Closing Distributions.

(i) At the Closing, on the terms and subject to the conditions set forth in this Agreement, Buyer shall pay to the Sellers in accordance with paragraph (i) of Section 1E of the Company Disclosure Letter an aggregate amount in cash equal to the Estimated Purchase Price (less the Indemnity Escrow Deposit Amount and the Adjustment Escrow Deposit Amount), by wire transfer of immediately available funds from Buyer to the account or accounts designated by the Representative (which account or accounts, together with the amounts payable to each Seller, shall be designated by the Representative in writing at least two (2) Business Days prior to the Closing Date).

(ii) At the Closing, on the terms and subject to the conditions set forth in this Agreement, Buyer shall deliver, by wire transfer of immediately available funds, an aggregate amount equal to (a) the Indemnity Escrow Deposit Amount to the Escrow Agent for deposit into a separate escrow account (the "Indemnity Escrow Account") established pursuant to the terms of

an escrow agreement, substantially in the form of Exhibit B attached hereto (the "Indemnity Escrow Agreement"), among Buyer, the Representative and the Escrow Agent, and (b) the Adjustment Escrow Deposit Amount to the Escrow Agent for deposit into a separate escrow account (the "Adjustment Escrow Account") established pursuant to the terms of an escrow agreement, substantially in the form of Exhibit C attached hereto (the "Adjustment Escrow Agreement"), among Buyer, the Representative and the Escrow Agent. The Indemnity Escrow Funds and the Adjustment Escrow Funds shall be maintained separately in the Indemnity Escrow Account and the Adjustment Escrow Account, respectively, and the Indemnity Escrow Amount and the Adjustment Escrow Amount shall be Buyer's sole and exclusive source of recovery for any amounts owing to Buyer pursuant to this Agreement, except as otherwise set forth in Article 10. The fees and expenses of the Escrow Agent shall be paid 50% by Buyer and 50% by the Representative.

(iii) At the Closing, on the terms and subject to the conditions set forth in this Agreement, Buyer shall pay to the intended beneficiaries thereof (as identified by the Representative to Buyer at least two (2) Business Days prior to the Closing Date) (a) amounts due and owing pursuant to the Credit Facilities, (b) the Company Expenses (except with respect to any severance obligations owed in connection the terminations of employment described in Section 11K, which such amounts Buyer shall retain and pay to the applicable former employees following the Closing in accordance with the terms of the applicable agreements creating such severance obligations), (c) the Representative Expenses, and (d) any other liabilities included in the computation of Estimated Net Indebtedness which by their terms or pursuant to this Agreement are required to be paid at Closing.

1D. Purchase Price Adjustment.

(i) Within 60 days following the Closing Date, the Company shall, and Buyer shall cause the Company to, prepare and deliver to the Representative (a) an unaudited consolidated balance sheet of the Company as of the Adjustment Calculation Time (the "Closing Balance Sheet"), and (b) a statement (the "Closing Statement") setting forth the Company's calculation of Closing Net Working Capital and Closing Net Indebtedness, and together with the Closing Balance Sheet and the Closing Statement, Buyer shall deliver to the Representative a certificate of Buyer that it has complied with the covenants set forth in Section 1D(vii). The Closing Balance Sheet shall be prepared in accordance with GAAP applied on a basis consistent with the methodologies, practices, estimation techniques, assumptions and principles used in the preparation of the Latest Audited Balance Sheet. The Closing Statement shall, with respect to the Closing Net Working Capital, be derived from the Closing Balance Sheet, and shall, with respect to both the Closing Net Working Capital and the Closing Net Indebtedness, be prepared in accordance with the applicable definitions set forth in this Agreement. During the 30 days immediately following the Representative's receipt of the Closing Balance Sheet and the Closing Statement and any period of dispute thereafter with respect thereto, Buyer shall, and shall cause the Company to, (x) cooperate with the Representative in the review of the Closing Balance Sheet and Closing Statement and provide the Representative and its representatives with full access during normal business hours to the books, records (including work papers, schedules, memoranda and other documents), supporting data and employees of the Company reasonably related to the Closing Balance Sheet and the Closing Statement (and the preparation thereof) for purposes of their review of the Closing Balance Sheet and the Closing Statement, and (y) cooperate fully with the Representative and its representatives in connection with such review, including providing on a timely basis all other information reasonably necessary or useful in

connection with the review of the Closing Balance Sheet and the Closing Statement as is reasonably requested by the Representative or its representatives. The Closing Balance Sheet, the Closing Statement and the resulting calculation of Closing Net Working Capital and Closing Net Indebtedness shall become final and binding upon the parties 30 days following the Representative's receipt thereof unless the Representative gives written notice of its disagreement (a "Notice of Disagreement") to Buyer prior to such date; provided that the Closing Balance Sheet, the Closing Statement and the resulting calculation of Closing Net Working Capital and Closing Net Indebtedness shall become final and binding upon the parties upon the Representative's delivery, prior to the expiration of the 30-day period, of written notice to Buyer of its acceptance of the Closing Balance Sheet and the Closing Statement. Any Notice of Disagreement shall specify in reasonable detail the nature and amount of any disagreement so asserted.

(ii) If a timely Notice of Disagreement is received by Buyer, then the Closing Balance Sheet and the Closing Statement (as revised in accordance with this Section 1D(ii)), and the resulting calculation of Closing Net Working Capital and Closing Net Indebtedness, shall become final and binding upon the parties on the earlier of (a) the date any and all matters specified in the Notice of Disagreement are finally resolved in writing by the Representative and Buyer and (b) the date any and all matters specified in the Notice of Disagreement not resolved by the Representative and Buyer are finally resolved in writing by the Arbiter (as defined below). The Closing Balance Sheet and the Closing Statement shall be revised to the extent necessary to reflect any resolution by the Representative and Buyer and any final resolution made by the Arbiter in accordance with this Section 1D(ii). During the 30 days immediately following the delivery of a Notice of Disagreement or such longer period as the Representative and Buyer may agree in writing, the Representative and Buyer shall seek in good faith to resolve in writing any differences which they may have with respect to any matter specified in the Notice of Disagreement, and all such discussions related thereto shall (unless otherwise agreed by Buyer and the Representative) be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule. At the end of such 30-day period, the Representative and Buyer shall submit to a nationally recognized consulting firm with expertise in financial analysis that is mutually selected by the Representative and Buyer (the "Arbiter") for review and resolution of any and all matters (but only such matters) which remain in dispute and which were included in the Notice of Disagreement. Buyer and the Representative shall instruct the Arbiter to, and the Arbiter shall, make a final determination of the items included in the Closing Balance Sheet and the Closing Statement (to the extent such amounts are in dispute) in accordance with the guidelines and procedures set forth in this Agreement. Buyer and the Representative will cooperate (and Buyer shall cause the Company to cooperate) with the Arbiter during the term of its engagement. Buyer and the Representative shall instruct the Arbiter not to, and the Arbiter shall not, assign a value to any item in dispute greater than the greatest value for such item assigned by Buyer, on the one hand, or the Representative, on the other hand, or less than the smallest value for such item assigned by Buyer, on the one hand, or the Representative, on the other hand. Buyer and the Representative shall also instruct the Arbiter to, and the Arbiter shall, make its determination based solely on presentations by Buyer and the Representative that are in accordance with the guidelines and procedures set forth in this Agreement (i.e., not on the basis of an independent review). The presentations must be made within fifteen (15) days of engaging the Arbiter and copies of such presentations shall be provided to each party. The Closing Balance Sheet, the Closing Statement and the resulting calculation of Closing Net Working Capital and Closing Net Indebtedness shall become final and binding on the parties hereto on the date the Arbiter delivers its final resolution in writing to Buyer and the Representative (which final resolution shall be requested by the parties to be delivered not more than 45 days following submission of such disputed matters), and such resolution by the Arbiter shall not be subject to

court review or otherwise appealable. The fees and expenses of the Arbiter pursuant to this Section 1D(ii) shall be borne by Buyer, on the one hand, and the Representative, on the other hand, based upon the percentage which the aggregate portion of the contested amount not awarded to each party bears to the aggregate amount actually contested by such party.

(iii) If the Estimated Purchase Price is less than the Purchase Price (such shortfall, the "Shortfall Amount"), Buyer shall, within two (2) Business Days after the Closing Balance Sheet and the Closing Statement become final and binding on the parties pursuant to this Section 1D, make payment of the Shortfall Amount by wire transfer in immediately available funds to, or as directed by, the Representative. Furthermore, Buyer and the Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to make payment of the Adjustment Escrow Funds from the Adjustment Escrow Account, within two (2) Business Days after the Closing Balance Sheet and the Closing Statement become final and binding on the parties pursuant to this Section 1D, to, or as directed by, the Representative, with such amounts, subject to Section 11J hereof, being distributable as a portion of the Additional Purchase Price as provided in Section 1D(v).

(iv) If the Estimated Purchase Price is greater than the Purchase Price (such excess, the "Excess Amount"), Buyer and the Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to make payment to Buyer, within two (2) Business Days after the Closing Balance Sheet and the Closing Statement become final and binding on the parties pursuant to this Section 1D, by wire transfer in immediately available funds of the Excess Amount from the Adjustment Escrow Amount in the Adjustment Escrow Account. If the Excess Amount is greater than the Adjustment Escrow Amount (such excess, the "Adjustment Escrow Shortfall"), Buyer and the Representative shall deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to make payment to Buyer of the amount of the Adjustment Escrow Shortfall, within two (2) Business Days after the Closing Balance Sheet and the Closing Statement become final and binding on the parties pursuant to this Section 1D(iv), by wire transfer in immediately available funds from the Indemnity Escrow Amount in the Indemnity Escrow Account. In the event that the Excess Amount is less than the Adjustment Escrow Funds (such shortfall, the "Remaining Adjustment Escrow Funds"), Buyer and the Representative shall simultaneously with delivery of the instructions in the first sentence of this Section 1D(iv), deliver joint written instructions to the Escrow Agent to cause the Escrow Agent to pay the Remaining Adjustment Escrow Funds from the Adjustment Escrow Account to, or as directed by, the Representative, with such amounts, subject to Section 11J hereof, being distributable as a portion of the Additional Purchase Price as provided in Section 1D(v).

(v) Subject to Section 11J, any amounts received by the Representative pursuant to this Section 1D shall be received for the benefit of the Sellers.

(vi) Buyer agrees that (a) the payment of the Excess Amount (if any) from the Adjustment Escrow Amount in the Adjustment Escrow Account and, if applicable, from the Indemnity Escrow Amount in the Indemnity Escrow Account, in accordance with the Adjustment Escrow Agreement and, if applicable, in accordance with the Indemnity Escrow Agreement, shall be the sole and exclusive remedy for Buyer for payment of the Excess Amount (if any) (and the Adjustment Escrow Amount in the Adjustment Escrow Account and, if applicable, the portion of the Indemnity Escrow Amount in the Indemnity Escrow Account equal to the Adjustment Escrow Shortfall shall be Buyer's sole and exclusive source of recovery for any amounts owing to Buyer pursuant to this Section 1D) and (b) the working capital adjustment and indebtedness adjustment provided for in this Section 1D, and the dispute resolution provisions provided for in this Section 1D, shall be the sole and exclusive remedies for the matters addressed or that could

be addressed therein; provided that, for the avoidance of doubt, and without limiting the generality of the foregoing, no claim by Buyer for the payment of the Excess Amount shall be asserted against the Seller Parties.

(vii) Buyer agrees that following the Closing it will not, and it will cause the Company not to, take any actions with respect to the accounting books, records, policies and procedures of the Company that would obstruct or prevent the preparation of the Closing Balance Sheet or the Closing Statement as provided in this Section 1D. Buyer will cooperate in the review of the Closing Balance Sheet and the Closing Statement, including by providing customary certifications to the Representative or, if requested, to the Representative's auditors or the Arbiter.

1E. Purchase Price Allocation. For Tax purposes, Buyer and the Sellers shall allocate (i) the Purchase Price between the Acquired Shares and the Acquired Units as set forth on Section 1E of the Company Disclosure Letter and (ii), with respect to the portion of the Purchase Price allocated to the Acquired Units, for purposes of determining the portion of the gain or loss recognized by each holder of Acquired Units upon the sale of such holder's Acquired Units pursuant to this Agreement that is attributable to the Company's "unrealized receivables" and "inventory items" (as such terms are defined in Section 751 of the Code), among the assets of the Company, in accordance with the allocation principles set forth on Section 1E of the Company Disclosure Letter. Neither Buyer nor the Sellers, nor any of their respective Affiliates, shall take any position (whether in financial statements, audits, tax returns or otherwise) which is inconsistent with such allocation of the Purchase Price unless required to do so by applicable law.

1F. Pre-Closing Intercompany Transactions.

(i) The parties acknowledge and agree that following the execution of this Agreement but prior to Closing, (A) the Company will distribute to Holdings 100% of the issued and outstanding limited liability interests in BCA-TX (such limited liability company interests, the "Texas Units"), and (B) thereafter, in exchange for each Blocker's entire limited liability company interest in Holdings (whether held directly and/or indirectly), Holdings will distribute (x) Units in the Company ("Blocker Company Interest") directly or indirectly to each Blocker; provided that, the Blocker Company Interest distributed to each Blocker shall represent a proportional ownership interest in the Company equal to such Blocker's current indirect ownership interest in the Company (as measured by such Blocker's direct or indirect ownership of Holdings represented by the limited liability company interest in Holdings that are surrendered in such exchange) and (y) Texas Units directly or indirectly to each Blocker; provided that the Texas Units distributed to each Blocker shall represent a proportional ownership interest in BCA-TX equal to such Blocker's current ownership of Holdings Common Units (the distributions referred to in the foregoing, the "Blocker Pre-Closing Distribution").

(ii) The parties acknowledge and agree that after the Blocker Pre-Closing Distribution and immediately prior to the Closing, each Blocker will exchange the Texas Units directly held by such Blocker in redemption of a portion of the outstanding capital stock of each Blocker; provided that, in lieu of directly distributing the Texas Units as described in the foregoing, each Blocker may indirectly distribute the Texas Units by (A) first, organizing a newly formed corporation ("NewCorp"), (B) second, contributing the Texas Units to such NewCorp in exchange for NewCorp capital stock, and (C) third, distributing the capital stock of NewCorp in redemption of a portion of the outstanding capital stock of each Blocker (the distribution and redemption referred to in the foregoing, the "Texas Blocker Redemption").

(iii) The parties agree that notwithstanding anything to the contrary in this Agreement, (A) the Blocker Pre-Closing Distribution or Texas Blocker Redemption shall not be deemed to be prohibited by this Agreement or to require any consent on the part of Buyer; (B) no representation, warranty, covenant or agreement of the Company, Sellers or either Blocker shall be deemed untrue or not performed to the extent resulting from the Blocker Pre-Closing Distribution or the Texas Blocker Redemption; (C) that upon the termination of this Agreement Holdings, the Company, and the Blockers, as applicable, shall cause the Blocker Pre-Closing Distribution and Texas Blocker Redemption (if such transaction has already been consummated) to be rescinded and unwound; and (D) Holdings, the Company and each Subsidiary of the Company may settle any intercompany accounts between or among any of such entities (such matters referred to in the foregoing (D), the "Pre-Closing Intercompany Transactions").

1G. Guaranty. Guarantor hereby fully, unconditionally and absolutely guarantees the due, prompt and complete performance of all of Buyer's obligations hereunder in accordance with the terms and conditions herein (the "Guarantor Obligations"). Guarantor waives any and all defenses it may have to the enforceability of this guaranty against it solely as a guarantor, which waiver shall not affect any defenses Buyer or the Company (following the Closing) may have as the primary obligor with respect thereto.

ARTICLE 2
CONDITIONS TO CLOSING

2A. Conditions to All Parties' Obligations. The obligation of each of the Sellers, the Blockers, the Company and Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Buyer and the Representative, of each of the following conditions as of immediately prior to the Closing:

(i) Any applicable waiting periods under the HSR Act shall have expired or been terminated (the "HSR Approval");

(ii) No injunction or order of any court or administrative agency of competent jurisdiction shall be in effect as of the Closing which restrains or prohibits the consummation of the transactions contemplated by this Agreement; and

(iii) This Agreement shall not have been terminated in accordance with Section 8A.

2B. Conditions to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by Buyer, of each of the following additional conditions as of immediately prior to the Closing:

(i) Each of the representations and warranties of the Sellers, Blockers and the Company contained in Article 4, Article 5 and Article 6 of this Agreement (a) that is qualified as to or by Company Material Adverse Effect shall be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)), except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby, and (b) that is not qualified as to or by Company Material Adverse Effect shall be true and correct as of the Closing Date as if made anew as of such date (except to the

extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)), except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby and except for the failure of such representations and warranties referred to in this clause (b) to be true and correct as does not and would not reasonably be expected, individually or in the aggregate, to have a Company Material Adverse Effect;

(ii) Each of the covenants and agreements of the Sellers, Blockers and the Company to be performed as of or prior to the Closing shall have been performed in all material respects;

(iii) The Company shall have delivered to Buyer a certificate in the form of Exhibit D attached hereto dated the Closing Date and signed by a senior executive officer of the Company on behalf of the Company confirming the foregoing matters in Section 2B(i) and Section 2B(ii);

(iv) The Company shall have delivered to Buyer certified copies of the resolutions or consents of the Company's board of managers approving the transactions contemplated by this Agreement;

(v) The Indemnity Escrow Agreement shall have been executed by the Escrow Agent and the Representative and shall have been delivered to Buyer;

(vi) The Adjustment Escrow Agreement shall have been executed by the Escrow Agent and the Representative and shall have been delivered to Buyer;

(vii) Each director, manager and officer of the Company and its Subsidiaries (other than Cedar Crest Clinic, Inc. and StoneCrest Clinic, Inc.) (including the members of their respective boards of directors or other governing bodies) shall have delivered to Buyer a letter of resignation, in form and substance satisfactory to Buyer, effective as of Closing Date;

(viii) Buyer shall have received a payoff letter from the applicable lender with respect to all Closing Net Indebtedness set forth on Section 2B(viii) of the Company Disclosure Letter that (a) reflects the amounts required in order to pay in full all such Closing Net Indebtedness as of the Closing and (b) to the extent such Closing Net Indebtedness is secured by Liens on the property and assets of the Company and its Subsidiaries, upon payment in full of the amounts indicated therein, all such Liens shall be terminated and of no further force and effect; and

(ix) Buyer shall have received evidence that the Persons identified on Section 6T(i) of the Company Disclosure Letter as having authority to draw upon or otherwise have access to the bank accounts listed thereon shall no longer have any authority over or access to such bank accounts effective upon the Closing.

2C. Conditions to the Seller's, Blockers' and the Company's Obligations. The obligation of each of the Sellers and the Company to consummate the transactions contemplated by this Agreement is subject to the satisfaction, or waiver by the Representative, of each of the following additional conditions as of immediately prior to the Closing:

(i) Each of the representations and warranties of Buyer contained in Article 7 of this Agreement (a) that is qualified as to or by Buyer Material Adverse Effect or similar qualifier shall be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such

earlier date)), except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby, and (b) that is not qualified as to or by Buyer Material Adverse Effect shall be true and correct as of the Closing Date as if made anew as of such date (except to the extent any such representation and warranty expressly relates to an earlier date (in which case as of such earlier date)), except to the extent of changes or developments contemplated by the terms of this Agreement or caused by the transactions contemplated hereby and except for the failure of such representations and warranties referred to in this clause (b) to be true and correct as does not and would not reasonably be expected to, individually or in the aggregate, have a Buyer Material Adverse Effect;

(ii) Each of the covenants and agreements of Buyer to be performed as of or prior to the Closing shall have been performed in all material respects;

(iii) Buyer shall have delivered to the Company and the Representative (on behalf of the Sellers) a certificate in the form of Exhibit E attached hereto dated the Closing Date and signed by a senior executive officer of Buyer on behalf of Buyer confirming the foregoing matters in Sections 2C(i) and Sections 2C(ii);

(iv) Buyer shall have delivered to the Representative (on behalf of the Sellers) certified copies of the resolutions or consents of the board of directors of Guarantor approving the transactions contemplated by this Agreement;

(v) The Indemnity Escrow Agreement shall have been executed by the Escrow Agent and Buyer and shall have been delivered to the Representative (on behalf of the Sellers); and

(vi) The Adjustment Escrow Agreement shall have been executed by the Escrow Agent and Buyer and shall have been delivered to the Representative (on behalf of the Sellers).

2D. Waiver of Conditions. All unsatisfied conditions to the Closing shall be deemed to have been waived from and after the Closing.

ARTICLE 3
CERTAIN COVENANTS PRIOR TO THE CLOSING

3A. Access. During the period from the date of this Agreement to the earlier of the Closing and the date that this Agreement is terminated in accordance with its terms, the Company shall grant to Buyer and its authorized representatives reasonable access, during normal business hours and upon reasonable notice, to the personnel, properties, books and records of the Company that are in the possession or under the control of the Company to the extent relating to the transition of the Company's business to Buyer; provided that (a) such access does not unreasonably interfere with the normal operations of the Company, (b) such access shall occur in such a manner as the Company reasonably determines to be appropriate to protect the confidentiality of the transactions contemplated by this Agreement, (c) all requests for access shall be directed to Richard Harding or his designee at Moelis & Company or such other Person as the Company may designate in writing from time to time (the "Designated Contact"), and (d) nothing herein shall require the Company to provide access to, or to disclose any information to, Buyer if such access or disclosure (x) would cause significant competitive harm to the Company if the

transactions contemplated by this Agreement are not consummated or (y) would be in violation of applicable laws or regulations of any Governmental Entity (including the HSR Act and other anti-competition laws) or the provisions of any agreement to which the Company is a party; provided, that, the Company shall deliver to Buyer a reasonable description of the nature of any such items, documents or other materials or information so withheld from Buyer under this subsection (d). Other than the Designated Contact or as expressly provided in the preceding sentence, Buyer is not authorized to and shall not (and shall cause its employees, agents, representatives and Affiliates not to) contact any officer, director, employee, manager, customer, supplier, distributor, lessee, lessor, lender or other material business relation of the Company prior to the Closing without the prior written consent of the Company or the Designated Contact. Buyer shall, and shall cause its representatives to, abide by the terms of the Confidentiality Agreement with respect to such access and any information furnished to it or its representatives pursuant to this Section 3A.

3B. Ordinary Conduct of Company. During the period from the date of this Agreement to the earlier of the Closing and the date that this Agreement is terminated in accordance with its terms, except as (x) set forth on Section 3B of the Company Disclosure Letter, (y) otherwise consented to by Buyer in writing (which consent shall not be unreasonably withheld, conditioned or delayed), or (z) otherwise contemplated by this Agreement, the Company shall not:

(i) make any material change in the conduct of its business;

(ii) enter into a new agreement that would be included in the definition of Company Material Contracts if it had been entered into as of the date of this Agreement other than in the ordinary course of business, amend in a material manner or terminate any of the Company Material Contracts or, other than in the ordinary course of business consistent with past practice, waive any material right or benefit under any of the Company Material Contracts;

(iii) amend its Organizational Documents;

(iv) acquire by merging or consolidating with, or agreeing to merge or consolidate with, or purchase substantially all the assets of, or otherwise acquire any business or any corporation, partnership, association or other business organization or division thereof;

(v) effect any restructuring, reorganization or complete or partial liquidation (other than the Pre-Closing Intercompany Transactions described in Section 1F);

(vi) except for the disposal in the ordinary course of business consistent with past practice of immaterial fixed assets and equipment with an aggregate value of less than $100,000, sell, lease, sublease, mortgage, pledge or otherwise encumber or dispose of any of the material fixed assets or equipment owned by the Company, or enter into any agreement regarding the foregoing;

(vii) issue or sell any of its equity securities, securities convertible into its equity securities, or any options, warrants or other rights to purchase its equity securities, or enter into any agreement regarding the foregoing;

(viii) except in the ordinary course of business consistent with past practice or as required by law or contractual obligations, in any case not in an aggregate amount in excess of $100,000, increase in any manner the compensation of, or enter into any new bonus, incentive, employee benefits, severance or termination agreement or arrangement with, any of its officers or employees; or

(ix) otherwise incur any liabilities or obligations in excess of $250,000 in the aggregate, other than in the ordinary course of business consistent with past practice.

3C. Distribution of Cash. Notwithstanding any other provision to the contrary contained in this Agreement, on and prior to the Closing Date, the Sellers shall be entitled to receive from the Company or any Subsidiary by way of dividends, distributions, return of capital or otherwise all cash and cash equivalents owned or held by or for the benefit of the Company or any Subsidiary prior to and as of the Adjustment Calculation Time. Buyer acknowledges that all such cash and cash equivalents of the Company or any Subsidiary prior to Closing are the exclusive property of the Sellers; provided, however, for the avoidance of doubt any cash and cash equivalents included in the calculation of the Closing Net Indebtedness shall remain in the Company or its Subsidiaries, as applicable, for the benefit of Buyer.

3D. Exclusive Transaction. Until the earlier of the termination of this Agreement in accordance with its terms or the Closing, the Sellers, the Blockers and the Company shall not (and shall not permit any agent, employee, board member or Affiliate thereof to), without the express prior written consent of Buyer, directly or indirectly: (A) initiate, engage in or hold discussions or negotiations with, or offer to, or solicit or entertain offers from, any Person (other than Buyer or its Affiliates) concerning the sale, purchase, transfer, joint venture, affiliation, lease or other disposition of the Assets (or any material portion thereof) or any Units or other ownership interest in the Company, the Blockers, Holdings, the Business or any Subsidiary thereof, nor the management of the Company, its Subsidiaries, the Assets or the Business, nor any transfer by the Sellers or their Affiliates of any of their ownership interests in the Company or the Assets or Business, or the issuance by the Company or its Affiliates of any debt, ownership interests or other equity, nor any merger, consolidation or similar transaction involving the Blockers, the Company or its Subsidiaries (collectively, "Prohibited Transactions"), or (B) enter into any agreement with or accept any offer from any Person (other than Buyer or its Affiliates) with respect to any Prohibited Transaction. The Representative and the Company shall immediately advise such inquiring party of this Section 3D and promptly advise Buyer by telephone and thereafter promptly confirm in writing, of any inquiry, proposal, solicitation or communication of any kind (and the terms thereof) relating, contemplating or looking to any of the foregoing.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

As an inducement to Buyer to enter into this Agreement, each Seller (on a several, and not joint, basis) hereby represents and warrants that, except as set forth in the Company Disclosure Letter:

4A. Organization and Power. If such Seller is not an individual, such Seller is a limited liability company or limited partnership, as applicable, validly existing and in good standing under the laws of the State of Delaware and such Seller has all requisite limited liability company or limited partnership, as applicable, power and authority necessary to enter into this Agreement and consummate the transactions contemplated hereby.

4B. Authorization; No Breach.

(i) If an individual, such Seller is legally competent to execute and deliver and perform such Seller's obligations under this Agreement and the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Seller at Closing. If not an individual, such Seller has taken all limited liability company or limited partnership, as applicable, acts and other limited liability company or limited partnership, as applicable, proceedings required to be taken by such Seller to authorize the execution, delivery and performance of this Agreement and the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Seller at Closing and the consummation of the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement has been duly executed and delivered by such Seller, and each of the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Seller at Closing, when so executed and delivered, shall have been duly executed and delivered by such Seller, and this Agreement constitutes, and each of the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Seller at Closing, when so executed and delivered shall constitute, a valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as such enforcement may be limited by the application of bankruptcy, moratorium and other laws affecting creditors' rights generally and as such enforcement may be limited by the availability of specific performance and the application of equitable principles.

(ii) Except as set forth on Section 4B(ii) of the Company Disclosure Letter, the execution and delivery by such Seller of this Agreement does not and the consummation by such Seller of the transactions contemplated hereby does not (A) result in a breach of any of the provisions of, (B) constitute a default under, (C) result in a violation of, (D) give any third party the right to terminate or to accelerate any obligation under, or (E) require any authorization, consent, approval, exemption or other action by or notice to any court or other governmental body, under any provision of the certificate of formation or limited liability company agreement or limited partnership agreement, as applicable, of such Seller (if not an individual), or any of such Seller's material contracts, or any material judgment, order or decree applicable to such Seller or any material statute, law, ordinance, rule or regulation applicable to such Seller, other than any such breaches, defaults, violations or rights that, individually or in the aggregate, would not have a have a material adverse effect on the ability of such Seller to perform any of his, her or its material obligations under this Agreement, and other than any such authorizations, consents, approvals, exemptions or other actions required under the HSR Act or the failure of which to obtain would not, individually or in the aggregate, have a have a material adverse effect on the ability of such Seller to perform any of his, her or its material obligations under this Agreement.

4C. Ownership of Acquired Securities. The Sellers own all of the Acquired Securities free and clear of all Liens, except for Permitted Encumbrances and other Liens set forth on Section 4C of the Company Disclosure Letter.

4D. Legal Proceedings. As of the date hereof, there are (i) no actions, suits, investigations, or proceedings pending or, to the knowledge of such Seller, threatened against such Seller before any court or other Governmental Entity, and (b) no judgments, decrees, injunctions or orders of any court or other Governmental Entity outstanding against such Seller.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE BLOCKERS

As an inducement to Buyer to enter into this Agreement, each Blocker, severally, as to itself, hereby represents and warrants that, except as set forth in the Company Disclosure Letter:

5A. Organization and Power. Such Blocker is a corporation validly existing and in good standing under the laws of the State of Delaware. Such Blocker has all requisite corporate power and authority necessary to enter into this Agreement and consummate the transactions contemplated hereby.

5B. Capitalization. Section 5B of the Company Disclosure Letter sets forth the authorized, issued and outstanding shares of capital stock of such Blocker. Except as set forth on Section 5B of the Company Disclosure Letter, there are no outstanding (a) shares of capital stock or other equity interests or voting securities of such Blocker, (b) securities convertible or exchangeable into shares of capital stock of such Blocker, (c) any options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other contracts that require such Blocker to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem shares of its capital stock or (d) stock appreciation, phantom stock, profit participation or similar rights with respect to such Blocker. All of the outstanding shares of capital stock of such Blocker have been duly authorized and validly issued.

5C. Subsidiaries; Ownership of Units. Except for the ownership of Units as set forth on Section 5C of the Company Disclosure Letter, as of the Closing Date, such Blocker will not directly or indirectly (i) own, of record or beneficially, any outstanding equity securities or other interests in any Person or (ii) control any other Person. On the Closing Date, such Blocker shall own all of the Units set forth on Section 5C of the Company Disclosure Letter free and clear of all Liens, except for Permitted Encumbrances and other Liens set forth on Section 5C of the Company Disclosure Letter.

5D. Authorization; No Breach.

(i) All corporate acts and other corporate proceedings required to be taken by such Blocker to authorize the execution, delivery and performance of this Agreement and the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Blocker at Closing and the consummation of the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement has been duly executed and delivered by such Blocker, and each of the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Blocker at Closing, when so executed and delivered, shall have been duly executed and delivered by such Blocker, and this Agreement constitutes, and each of the other agreements, documents and instruments contemplated hereby to be executed and delivered by such Blocker at Closing, when so executed and delivered shall constitute, a valid and binding obligation of such Blocker, enforceable against such Blocker in accordance with its terms, except as such enforcement may be limited by the application of bankruptcy, moratorium and other laws affecting creditors' rights generally and as such enforcement may be limited by the availability of specific performance and the application of equitable principles.

(ii) Except as set forth on Section 5D(ii) of the Company Disclosure Letter, the execution and delivery by such Blocker of this Agreement does not and the consummation by such Blocker of the transactions contemplated hereby does not (A) result in a breach of any of the provisions of, (B) constitute a default under, (C) result in a violation of, (D) give any third party the right to terminate or to accelerate any obligation under, or (E) require any authorization, consent, approval, exemption or other action by or notice to any court or other governmental body, under any provision of the certificate of incorporation or by-laws of such Blocker, or any of such Blocker's material contracts, or any material judgment, order or decree applicable to such Blocker or any material statute, law, ordinance, rule or regulation applicable to such Blocker, other than any such breaches, defaults, violations or rights that, individually or in the aggregate, would not have a have a material adverse effect on the ability of such Blocker to perform any of its material obligations under this Agreement, and other than any such authorizations, consents, approvals, exemptions or other actions required under the HSR Act or the failure of which to obtain would not, individually or in the aggregate, have a have a material adverse effect on the ability of such Blocker to perform any of its material obligations under this Agreement.

5E. Conduct of Business. Such Blocker is a holding company and other than with respect to the ownership of the Units set forth on Section 5C of the Company Disclosure Letter, does not engage in any business activities and does not own any assets or properties. Except for obligations or liabilities incurred in connection with its incorporation, organization and capitalization, which have been satisfied in full or are reflected as a liability on the Closing Balance Sheet, such Blocker has not incurred, directly or indirectly, any obligations or liabilities or engaged in any business activities of any type or kind.

5F. Legal Proceedings. As of the date hereof, there are (i) no actions, suits, investigations, or proceedings pending or, to the knowledge of such Blocker, threatened against such Blocker before any court or other Governmental Entity, and (b) no judgments, decrees, injunctions or orders of any court or other Governmental Entity outstanding against such Blocker.

5G. Tax Matters. Except as set forth on Section 5G of the Company Disclosure Letter, (i) such Blocker has timely filed all Tax Returns that it is required to file (except those under valid extensions); (ii) all Taxes with respect to such Blocker have been paid (except those that are not yet payable or are being contested in good faith); (iii) no deficiency or proposed adjustment which has not been paid or resolved for any amount of Tax has been asserted or assessed by any Taxing authority in writing against such Blocker; (iv) such Blocker has not consented to extend the time in which any Tax may be assessed or collected by any Taxing authority (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course of business); (v) as of the date hereof, there are no ongoing or pending Tax audits by any Taxing authority against such Blocker; (vi) all Taxes such Blocker has been required to deduct or withhold in connection with amounts paid or owing to any employee, director, independent contractor, creditor, stockholder or other third party, have been properly deducted or withheld and have been paid to the appropriate Taxing authority; (vii) such Blocker has never been a member of an affiliated group filing a consolidated federal income Tax Return, nor has any liability for the Taxes of any Person as a transferee or successor; (viii) there are no Tax sharing, Tax indemnification or similar Tax arrangements with

respect to or involving such Blocker (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter); and (ix) such Blocker has not been a party to any "listed transaction" as defined in Section 6707A(c)(2) of the Code and the applicable Treasury regulations. Notwithstanding anything to the contrary in this Agreement, the representations and warranties set forth in this Section 5G are the sole and exclusive representations and warranties of each Blocker with respect to Tax matters, including laws applicable to Taxes.

5H. Employees. Such Blocker has no employees.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As an inducement to Buyer to enter into this Agreement, the Company hereby represents and warrants, except as set forth in the Company Disclosure Letter:

6A. Organization and Power. The Company is a limited liability company validly existing and in good standing under the laws of the State of Delaware and is qualified to do business as a foreign limited liability company and is in good standing in each jurisdiction in which the failure to so exist, be in good standing or qualify would have a Company Material Adverse Effect. The Company has all requisite limited liability company power and authority necessary to own and operate its properties and to carry on its businesses as now conducted, except where the failure to have such power and authority would not have a Company Material Adverse Effect. The Company has all requisite limited liability company power and authority necessary to enter into this Agreement, the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by the Company at Closing and to consummate the transactions contemplated hereby and thereby. The copies of the Company's certificate of formation and limited liability company agreement which have been made available to Buyer reflect all amendments made thereto at any time prior to the date of this Agreement.

6B. Capitalization. Section 6B of the Company Disclosure Letter sets forth the issued and outstanding Units as of the date hereof and the Company shall update Section 6B of the Company Disclosure Letter immediately prior to the Closing to reflect the Blocker Pre-Closing Distribution. All of the outstanding Units have been duly authorized and are validly issued. Except as set forth on Section 6B of the Company Disclosure Letter, there are no rights, subscriptions, warrants, or options to purchase or otherwise acquire any Units or other equity interests of the Company or securities or obligations of any kind convertible into or exchangeable for any Units or other equity interests of the Company.

6C. Subsidiaries. Except as set forth on Section 6C of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries owns or holds any (or the right to acquire any) stock, partnership interest or joint venture interest or other equity ownership interest in any other corporation, organization or entity. Each of the Company's Subsidiaries is duly organized, validly existing and in good standing under the laws of

the jurisdiction of its incorporation or organization, has all requisite corporate, or other legal entity, as the case may be, power and authority necessary to own its properties and to carry on its businesses as now conducted and is qualified to do business in every jurisdiction in which its ownership of property or the conduct of its businesses as now conducted requires it to qualify, except in each such case where the failure to hold such authorizations, licenses and permits or to be so qualified would not have a Company Material Adverse Effect.

6D. Authorization; No Breach.

(i) All limited liability company acts and other limited liability company proceedings required to be taken by the Company to authorize the execution, delivery and performance of this Agreement, the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by the Company at Closing and the consummation of the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement has been duly executed and delivered by the Company, and each of the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by the Company at Closing, when so executed and delivered, shall have been duly executed and delivered by the Company, and this Agreement constitutes, and each of the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by the Company at Closing, when so executed and delivered shall constitute, a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforcement may be limited by the application of bankruptcy, moratorium and other laws affecting creditors' rights generally and as such enforcement may be limited by the availability of specific performance and the application of equitable principles.

(ii) Except as set forth on Section 6D(ii) of the Company Disclosure Letter, the execution and delivery by the Company of this Agreement does not and the consummation by the Company of the transactions contemplated hereby does not (A) result in a breach of any of the provisions of, (B) constitute a default under, (C) result in a violation of, (D) give any third party the right to terminate or to accelerate any obligation under, or (E) require any authorization, consent, approval, exemption or other action by or notice to any court or other governmental body, under any provision of the certificate of formation or limited liability company agreement of the Company, or any of the Company Material Contracts, or any material judgment, order or decree applicable to the Company or any material statute, law, ordinance, rule or regulation applicable to the Company, or any material Entity License or material Environmental Permit or other material license, permit or authorization required by any Governmental Entity, other than any such breaches, defaults, violations or rights that, individually or in the aggregate, would not have a Company Material Adverse Effect, and other than any such authorizations, consents, approvals, exemptions or other actions required under the HSR Act or the failure of which to obtain would not have a Company Material Adverse Effect.

6E. Financial Statements; Undisclosed Liabilities.

(i) Section 6E(i) of the Company Disclosure Letter sets forth the following financial statements: (a) the audited consolidated balance sheet of Holdings as of each of December 31, 2010 and December 31, 2011 and the related audited consolidated statements of operations and

cash flows for the fiscal years then ended and (b) the unaudited balance sheet of the Company and its Subsidiaries as of September 30, 2012 (the "Latest Balance Sheet") and the related unaudited statements of operations and cash flows of the Company and its Subsidiaries for the nine-month period then ended. Except as set forth on Section 6E(i) of the Company Disclosure Letter, the foregoing financial statements present fairly, in all material respects, the financial position of Holdings, the Company and its Subsidiaries, as the case may be, as of the dates referred to for such financial statements, and the results of their or its operations for the periods referred to therein, in conformity with GAAP in all material respects (except as may be indicated in the notes thereto and subject, in the case of the unaudited financial statements, to the lack of footnote disclosure and changes resulting from year-end adjustments, which shall not, individually or in the aggregate, be material). Holdings is a holding company and other than with respect to the ownership of certain Units, does not directly engage in any business activities and does not own any assets or properties.

(ii) Except as set forth on Section 6E(ii) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has any liabilities or obligations whatsoever (whether matured or unmatured, known or unknown, fixed or contingent or otherwise) of the type required to be reflected on or reserved against in, or to be disclosed in the notes to, a consolidated balance sheet prepared in accordance with GAAP (collectively, "Liabilities"), except (a) Liabilities reflected on or reserved against in the Latest Balance Sheet or disclosed in the notes thereto, (b) Liabilities that have arisen since the date of the Latest Audited Balance Sheet in the ordinary course of business and are reflected on the Closing Balance Sheet and (c) Liabilities arising after the date of this Agreement in connection with the transactions contemplated by this Agreement that will be reflected on the Closing Balance Sheet.

6F. Absence of Certain Developments. Since August 31, 2012, there has been no Company Material Adverse Effect. Except as set forth on Section 6F of the Company Disclosure Letter or as otherwise contemplated by this Agreement, since August 31, 2012, neither the Company nor any of its Subsidiaries has:

(i) issued or sold any of its Units or other equity securities, securities convertible into its Units or other equity securities, or warrants, options or other rights to purchase its Units or other equity securities;

(ii) subjected any material portion of its properties or assets to any material Lien, except for Permitted Encumbrances;

(iii) sold, assigned or transferred any material portion of its tangible assets, except for sales in the ordinary course of business consistent with past practice of immaterial assets with an aggregate sales value of less than $100,000;

(iv) sold, assigned or transferred any patents, trademarks, trade names, copyrights, trade secrets or other intangible assets;

(v) terminated or modified any Material Contract, permitted any renewal notice period or option period to lapse with respect to any Material Contract or received any written notice of termination of any Material Contract, except for terminations of Material Contracts upon their expiration during such period in accordance with their terms;

(vi) cancelled, waived, compromised or released any debts, rights, claims or benefits under a Material Contract, other than in the ordinary course of business consistent with past practice;

(vii) entered into any Company Material Contract (including any borrowing, capital expenditure, or becoming liable in respect of any Indebtedness or guarantee), except in the ordinary course of business consistent with past practice with an aggregate value of less than $100,000;

(viii) made or granted any material bonus or any material compensation or salary increase to any former or current employee or group of former or current employees (except in the ordinary course of business consistent with past practice and in any case not in an aggregate amount in excess of $100,000), or made or granted any material increase in any employee benefit plan or arrangement, or amended in any material respect or terminated any existing employee benefit plan or arrangement or severance agreement or employment contract or adopted any new employee benefit plan or arrangement or severance agreement or employment contract (except in the ordinary course of business consistent with past practice);

(ix) made any loans or advances to, or guarantees for the benefit of, any Persons (except to employees in the ordinary course of business); or

(x) suffered any material damage, destruction or other casualty loss with respect to material property owned by the Company or its Subsidiaries that is not covered by insurance.

6G. Real and Personal Property.

(i) Section 6G(i) of the Company Disclosure Letter sets forth the address of each parcel of Owned Real Property. The Owned Real Property and the Leased Real Property constitutes all of the real property used or necessary for the operations of the Company and its Subsidiaries as currently conducted. With respect to each parcel of Owned Real Property, and except for matters that would not have a Company Material Adverse Effect:

(A) The Company or one of its Subsidiaries has good and marketable fee simple title, free and clear of all Liens, except Permitted Encumbrances;

(B) except as set forth in Section 6G(i)(B) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has leased or otherwise granted to any Person the right to use or occupy such Owned Real Property or any portion thereof; and

(C) there are no outstanding options, rights of first offer or rights of first refusal to purchase such Owned Real Property or any portion thereof or interest therein.

(D) to the Knowledge of the Company, no material physical or mechanical defects exist in any building or improvements, including any hospital, located on any Owned Real Property;

(E) except as set forth in Section 6G(i)(E) of the Company Disclosure Letter, all agreements or contracts made by the Company or the Subsidiaries for any improvements to the Real Property have been fully paid and there are no mechanic’s or materialman’s liens arising from any labor or material furnished to such Owned Real Property;

(F) except as set forth in Section 6G(i)(F) of the Company Disclosure Letter, no part of the Owned Real Property is currently subject to condemnation proceedings, and, to the Knowledge of the Company, no condemnation or taking is threatened or contemplated;

(G) no public improvements exist that may result in special assessments against or otherwise affect the Owned Real Property;

(H) no Owned Real Property is in violation in any material respect of any zoning, public health, building code or other similar Laws applicable to such property or to the ownership, occupancy and/or operation thereof, nor does there exist any waiver, variance, special permit, special exception or other exemption relating to any Owned Real Property with respect to any non-conforming use or other zoning or building code matters; and

(I) except as disclosed on any surveys made available by the Company to Buyer prior to the date of this Agreement, to the Knowledge of the Company, no portion of the Owned Real Property is presently included within any Federal Emergency Management Agency ("FEMA") flood zone other than zone B, C or X.

(ii) Section 6G(ii) of the Company Disclosure Letter sets forth the address of each parcel of Leased Real Property, and a true and complete list of all Leases for each such parcel of Leased Real Property. Each of the Leases is in full force and effect, and a complete copy of each of the Leases (including any amendments thereto) has been provided to Buyer. Neither the Company nor any of its Subsidiaries has received written notice of any material default under any of the Leases which has not been cured or waived. Except (a) as set forth on Section 6G(ii) of the Company Disclosure Letter, and (b) as may arise from consummation of the transactions contemplated hereby, no event has occurred where any applicable cure period has expired, which would allow the other party thereto to terminate or accelerate performance under or otherwise modify (including upon the giving of notice or the passage of time) any of such Leases. Except as set forth in Section 6G(ii) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has subleased or otherwise granted to any Person the right to use or occupy such Leased Real Property or any portion thereof.

(iii) Except (a) as set forth on Section 6G(iii) of the Company Disclosure Letter attached hereto, (b) as set forth on the Latest Balance Sheet and (c) for Permitted Encumbrances, the Company or one of its Subsidiaries owns, free and clear of all Liens, or has a contract, license or lease to use, all of the personal property and assets shown on the Latest Balance Sheet, acquired thereafter or located on its respective premises (collectively, the "Assets"). The Assets constitute all of the assets necessary to conduct the Business as currently conducted by the Company and its Subsidiaries. To the Knowledge of the Company, all of the tangible Assets are in good working order and operating condition (subject to reasonable wear and tear). Neither the Company nor any of its Subsidiaries hold any Assets on consignment nor are any Assets held at any location other than at the addresses set forth on Sections 6G(i) and 6G(ii) of the Company Disclosure Letter.

6H. Tax Matters. Except as set forth on Section 6H of the Company Disclosure Letter, (i) the Company and its Subsidiaries have timely filed all Tax Returns that it is required to file (except those under valid extensions); (ii) all Taxes have been paid by the Company and its Subsidiaries (except those that are not yet payable or are being contested in good faith); (iii) no deficiency or proposed adjustment which has not been paid or resolved for any amount of Tax has been asserted or assessed by any Taxing authority in writing against the Company or any of its Subsidiaries; (iv) the Company and its Subsidiaries have not consented to extend the time in which any Tax may be assessed or collected by any Taxing authority (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course of business); (v) as of the date hereof, there are no ongoing or pending Tax audits by any Taxing authority against the Company or any of its Subsidiaries; (vi) all Taxes the Company and its Subsidiaries have been required to deduct or withhold in connection with amounts paid or owing to any employee, director, independent contractor, creditor, stockholder or other third party, have been properly deducted or withheld and have been paid to the appropriate Taxing authority; (vii) the Company and its Subsidiaries have not been a member of an affiliated group filing a consolidated federal income Tax Return and have no liability for the Taxes of any Person as a transferee or successor; (viii) there are no Tax sharing, Tax indemnification or similar Tax arrangements with respect to or involving the Company and its Subsidiaries (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter); and (ix) the Company and its Subsidiaries have not been a party to any "listed transaction" as defined in Section 6707A(c)(2) of the Code and the applicable Treasury regulations. Notwithstanding anything to the contrary in this Agreement, the representations and warranties set forth in this Section 6H are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to Tax matters, including laws applicable to Taxes.

6I. Company Material Contracts. Section 6I of the Company Disclosure Letter sets forth a list as of the date of this Agreement of each of the following types of written contracts to which the Company or any of its Subsidiaries is a party (collectively, the "Company Material Contracts"):

(i) any employment agreement with any employee of the Company or one of its Subsidiaries that provides for more than 60-days severance;

(ii) any employee collective bargaining agreement;

(iii) any agreement or contract (including but not limited to any leases or licenses) to which a Physician is a party, whether or not such agreement or contract relates to medical services;

(iv) any Provider Agreements or any agreement or contract with any insurance company, prepaid health plan, health maintenance organization, preferred provider organization, independent practice association, private or public healthcare program, or any other entity to provide services to enrollees, beneficiaries or patients, other than single case agreements;

(v) any agreement containing a covenant not to compete granted by the Company or any of its Subsidiaries in favor of a third party;

(vi) any Leases or any other lease or similar agreement under which (a) the Company or its Subsidiaries is lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by a third party or (b) the Company or its Subsidiaries is a

lessor or sublessor of, or makes available for use by any third party, any tangible personal property owned or leased by the Company or its Subsidiaries, in any case which has future required scheduled payments in excess of $50,000 per annum and is not terminable by it upon notice of 60 calendar days or less for a cost of less than $50,000;

(vii) any agreement or contract under which the Company or its Subsidiaries has borrowed any money or issued any note, indenture or other evidence of funded indebtedness or guaranteed indebtedness or liabilities of others (other than endorsements for the purpose of collection, or purchases of equipment or materials made under conditional sales contracts, in each case in the ordinary course of business), in each case having an outstanding principal amount in excess of $50,000;

(viii) any agreement or contract that has any "most favored nation" or similar preferential treatment clause; or

(ix) any other agreement, contract, lease, license or instrument, in each case not included in clauses (i) through (ix) above or set forth on any of the other sections of the Company Disclosure Letter, to which the Company or its Subsidiaries is a party and which has future required scheduled payments to or by the Company or its Subsidiaries in excess of $100,000 per annum and is not terminable by it upon notice of 60 calendar days or less for a cost of less than $100,000 (other than warranty obligations in the ordinary course of business).

The Company or one of its Subsidiaries has delivered to, or made available for inspection by, Buyer a copy of each Company Material Contract. Except as disclosed on Section 6I of the Company Disclosure Letter, the Company or one of its Subsidiaries has performed all material obligations required to be performed by it to date under the Company Material Contracts and is not (with or without the lapse of time or the giving of notice, or both) in breach or default thereunder, except for failures to perform or any such breach or default that would not be material to the Company and its Subsidiaries, taken as a whole. Each of the Company Material Contracts is a legal binding obligation enforceable against the Company or its Subsidiary that is a party to such Company Material Contract, as applicable, and to the Knowledge of the Company, the counter-party to such Company Material Contract.

6J. Intellectual Property. Except as set forth on Section 6J of the Company Disclosure Letter, the Company and its Subsidiaries own and possess good title, to all Company Intellectual Property or possess a license or right to use all other Intellectual Property material to the conduct of the business as currently conducted. No claims are pending in writing or, to the knowledge of the Company, threatened against the Company or its Subsidiaries as of the date of this Agreement with respect to the ownership, use or validity of any Company Intellectual Property, other than claims which if determined adversely to the Company or one of its Subsidiaries would not result in a Company Material Adverse Effect. Except as set forth on Section 6J of the Company Disclosure Letter, the Company and its Subsidiaries are not interfering with, infringing upon, misappropriating or otherwise coming into conflict with any Intellectual Property Rights of any other Person and the Company and its Subsidiaries have not been sued as a defendant in any claim, suit, action, or proceeding which involves a claim of infringement of any Intellectual Property Rights of any third party and which has not been finally terminated prior to the date hereof, other than suits or charges which if determined adversely to the Company or its Subsidiaries would not be material to the Company or its Subsidiaries, as applicable. To the Knowledge of the Company, no third party is infringing upon or misappropriating any Company Intellectual Property.

6K. Legal Proceedings. Except as set forth on Section 6K of the Company Disclosure Letter, there are no actions, suits, proceedings or orders pending or, to the Company's knowledge, threatened against the Company or its Subsidiaries at law or in equity, or before or by any Governmental Entity. Except as set forth on Section 6K of the Company Disclosure Letter, all such actions, suits, proceedings or orders set forth on Section 6K of the Company Disclosure Letter (x) have been, or shall be, reserved for by the Company in the Latest Balance Sheet and (y) are covered by insurance policies maintained by the Company or its Subsidiaries. The Company has provided Buyer with a complete list of all actions, suits, proceedings or orders (other than workers' compensation matters) that were pending against the Company or its Subsidiaries at law or in equity, or before or by any Governmental Entity at any time since January 1, 2009.

6L. Brokerage. Except for fees and expenses payable to Moelis & Company, there are no claims for brokerage commissions, finders fees, or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of the Company or any of its Subsidiaries, and following the Closing, neither the Company nor any of its Subsidiaries shall be liable for any brokerage commissions, finders' fees, or similar compensation owed in connection with the transactions contemplated by this Agreement. Other than as reflected on the Closing Balance Sheet or as incurred at the specific direction of Buyer, neither the Company nor any of its Subsidiaries will be liable following the Closing for any Net Indebtedness.

6M. Employee Benefit Plans.

(i) Section 6M(i) of the Company Disclosure Letter sets forth a list of each Employee Benefit Plan. Each Employee Benefit Plan has been maintained, funded and administered in all material respects in accordance with its terms and complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code and other applicable laws. Other than routine claims for benefits, there is no claim or lawsuit pending or, to the knowledge of the Company, threatened against or arising out of an Employee Benefit Plan, except for claims or lawsuits that would not be material to the Company or its Subsidiaries, which are listed on Schedule 6M(i).

(ii) Each Employee Benefit Plan that is intended to meet the requirements of a "qualified plan" under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service, and, to the Company's Knowledge, no event has occurred which would reasonably be expected to cause such Employee Benefit Plan to become disqualified. To the Knowledge of the Company, there have been no prohibited transactions, breaches of fiduciary duty or other breaches or violations of any law applicable to the Employee Benefit Plans and related funding arrangements that would reasonably be expected to subject the Company, its Subsidiaries or Buyer to any material liability. Except as set forth on Section 6M(ii) of the Company Disclosure Letter, no Employment Benefit Plan is subject to any pending audit, inquiry or investigation by or before any Governmental Entity.

(iii) None of the Sellers, the Company nor any of its Subsidiaries contributes to, has any obligation to contribute to or has any liability with respect to, any Title IV Plan or any Multiemployer Plan. No Employee Benefit Plans provide for, and no written or oral agreements

have been entered into with any employee or former employee of the Company or its Subsidiaries promising or guaranteeing, the continuation of medical, dental, vision, life or disability insurance coverage for any period of time beyond the termination of employment (except to the extent of coverage required under Section 4980B of the Code or Title I, Part 6, of ERISA or other similar laws).

(iv) Notwithstanding anything to the contrary in this Agreement, the representations and warranties set forth in this Section 6M are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to employee benefit matters, including laws applicable to employee benefits. Except as set forth on Section 6M(iv) of the Company Disclosure Letter, the consummation of the transactions contemplated by this Agreement will not accelerate the time of vesting or payment, or increase the amount, of compensation to any employee, officer, former employee or former officer of the Company or its Subsidiaries. No Benefit Plans or other contracts or arrangements (other than any arrangements entered into at the direction of Buyer) provide for payments that would be triggered by the consummation of the transactions contemplated by this Agreement that would subject any person to excise tax under Section 4999 of the Code and, neither the Company or its Subsidiaries have made any payments, are obligated to make any payments or are a party to any agreement (other than any agreements or arrangements entered into at the direction of Buyer) that under any circumstances could obligate it to make any payments that will not be deductible under Section 280G of the Code.

6N. Insurance. To the knowledge of the Company, all of the insurance policies of the Company and its Subsidiaries are in full force and effect, copies of such policies have been previously made available to Buyer and neither the Company nor its Subsidiaries is in default in any material respect regarding their obligations under any of such insurance policies. Section 6N of the Company Disclosure Letter contains a description of each claim in excess of $25,000 made by the Company or its Subsidiaries under any policy of insurance since January 1, 2010. There is no claim by the Company or its Subsidiaries pending under any such insurance policies as to which coverage has been questioned, denied or disputed by the underwriters of such policies, and the Company has no Knowledge of any basis for denial of any claim under any such policy.

6O. Compliance with Applicable Laws. Except as set forth on Section 6O of the Company Disclosure Letter, the Company and its Subsidiaries are and have been since January 1, 2009, in compliance with all applicable statutes, laws, ordinances, rules, orders and regulations of any Governmental Entity applicable to the Company or its Subsidiaries, except to the extent any instances of non-compliance would not result in a Company Material Adverse Effect. Except as set forth on Section 6O of the Company Disclosure Letter, since January 1, 2009, neither the Company nor any of its Subsidiaries has received any written communication from a Governmental Entity that alleges that the Company or its Subsidiaries is not in compliance with any material federal, state, foreign or local laws, rules and regulations, except to the extent any instances of non-compliance would not be material to the Company or any of its Subsidiaries, as applicable.

6P. Environmental. Except as set forth on Section 6P of the Company Disclosure Letter, (i) the Company and its Subsidiaries are and have been since January 1, 2010, in compliance with all Environmental Laws, except to the extent any instances of noncompliance would not result in a Company Material Adverse Effect;

(ii) the Company and its Subsidiaries maintain and are in compliance with all permits, licenses and other authorizations that are required pursuant to Environmental Laws for the occupation of their facilities and the operation of their business as conducted as of the date hereof ("Environmental Permits"), except to the extent any failure to maintain such Environmental Permits or instances of noncompliance with such Environmental Permits would not result in a Company Material Adverse Effect; (iii) the Company and its Subsidiaries have not received any written notice regarding any actual or alleged material violation of Environmental Laws, or any material liabilities or potential material liabilities arising under Environmental, Laws; and (iv) the Company and its Subsidiaries have provided to Buyer copies of all environmental assessments relating to the Company and its Subsidiaries to the extent the forgoing are in the possession of the Company or its Subsidiaries and that were prepared since July 10, 2007. For purposes of this Agreement, "Environmental Laws" shall mean all federal, state, and local statutes, regulations, and ordinances having the force or effect of law, and all judicial and administrative orders and determinations, concerning pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, or polychlorinated biphenyls, that were enacted prior to the date hereof and as they are in effect on the date hereof. Notwithstanding anything to the contrary in this Agreement, the representations and warranties set forth in this Section 6P are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to environmental matters, including matters arising under or relating to Environmental Laws.

6Q. Employees. Except as set forth in Section 6Q of the Company Disclosure Letter, since January 1, 2009 there have been no labor strikes, slowdowns, work stoppages, lockouts, labor organization drives or similar disputes against the Company or its Subsidiaries, and, as of the date hereof, there are no such labor strikes, slowdowns, work stoppages, lockouts, labor organization drives or similar disputes pending or, to the Company's knowledge, threatened against the Company or its Subsidiaries. The Company and its Subsidiaries have properly classified, including for purposes of participation under all Employee Benefit Plans maintained by the Company and its Subsidiaries, individuals providing services to the Company or its Subsidiaries as independent contractors or employees, as the case may be. The Company and its Subsidiaries has paid or accrued for all compensation owed to its respective employees with respect to and has accounted for all overtime wages and has in all material respects complied with all wage and hour and workers' compensation laws and fair labor standards.

6R. Health Care Regulatory Compliance.

(i) The Company and its Subsidiaries are conducting and, since January 1, 2009, have conducted their business and operations in material compliance with, and neither the Company nor any of its Subsidiaries has engaged in any activities that have constituted a violation of, any applicable Health Care Law except to the extent any instances of non-compliance would not result in a Company Material Adverse Effect. Since January 1, 2009:

(A) none of the Company or its Subsidiaries has received any written notice or communication from any Governmental Entity alleging noncompliance in any material respect with any Health Care Law;

(B) there is no past or pending criminal, material civil or material administrative action, suit, demand, complaint, hearing, investigation, notice, demand letter, warning letter, proceeding or request for information related to noncompliance with, or otherwise involving, any Health Care Laws against the Company or its Subsidiaries;

(C) no Governmental Entity and no private, commercial or governmental payer, commission, board or agency has given the Company or its Subsidiaries any written notice that it intends to conduct any investigation, inspection, audit, validation or program integrity review or any other type of review of the Company's or its Subsidiaries' conduct or compliance with any applicable Health Care Law, except such reviews as are conducted in the ordinary course of business. Since January 1, 2009, neither the Company nor any its Subsidiaries has been the subject of any investigation, inspection, audit, or other review by or on behalf of any Governmental Entity or payer involving allegations of any material violation of any Health Care Law, with respect to or in connection with the Company's and its Subsidiaries' operations or business relations.

(D) the Company and each of its Subsidiaries has maintained, in all material respects, records required to be maintained by it under applicable Health Care Laws;

(E) neither the Company nor any of its Subsidiaries, nor any of their respective owners, officers or, to the Knowledge of the Company, employees or agents has now, or, since January 1, 2009: (A) been debarred, disqualified, suspended or otherwise excluded from participation in the Medicare, Medicaid, or any other federal or state healthcare program; (B) been assessed a civil monetary penalty under Section 1128A of the Social Security Act or any regulations promulgated thereunder; (C) been party to a corporate integrity agreement with the United States Department of Health and Human Services Office of the Inspector General ("OIG") or a similar agreement with any other Governmental Entity; (D) been convicted of any felony or criminal offense relating to the delivery of any health care item or service; or (E) been excluded, suspended or debarred from participation, or is otherwise ineligible to participate, in any Governmental Program.

(ii) For purposes of this Agreement, "Entity Licenses" means, collectively, all permits, licenses, registrations, authorizations, bonds, accreditations, qualifications, provider numbers (including, without limitation, National Provider Identifier numbers) and provider agreements under the Medicare and Medicaid Programs, rights, privileges, consents, franchises, certificates, variances, approvals and other authorizations of any Governmental Entity or other similar rights, each as required and which are material for the conduct of the Business. The Company and each of its Subsidiaries is currently in material compliance with all such Entity Licenses. All such Entity Licenses are in full force and effect, and neither the Company nor any of its Subsidiaries has received any written notice to the contrary, nor is it a party to or subject to any proceeding seeking to revoke, suspend or otherwise limit any such Entity License.

(iii) The Company and each of its Subsidiaries (i) is certified for participation and reimbursement under Titles XVIII and XIX of the Social Security Act (the "Medicare and Medicaid Programs"), and the TRICARE Program (the Medicare and Medicaid Programs, the TRICARE Program, and such other similar federal, state or local reimbursement or governmental programs for which the Company and its Subsidiaries' are eligible (including "Federal health care programs" as defined in 42 U.S.C. § 1320a 7b(f)) are referred to collectively as the "Governmental Programs"); (ii) currently participates in the Governmental Programs pursuant to provider agreements (the "Provider Agreements"), and in private, non-governmental programs (including any private insurance program) under which the Company or one of its Subsidiaries directly or indirectly is presently receiving payments (such private, non-governmental programs

are referred to collectively as "Private Programs"); and (iii) since January 1, 2009 has not been notified in writing that it has any liability under any of the Governmental Programs or Private Programs for any refund, overpayment, discount or adjustment, except for liabilities incurred in the ordinary course of business consistent with generally prevailing industry practice.

(iv) The Company and each of its Subsidiaries requires each employee of the Company or one of its Subsidiaries who is required by any Legal Requirement to have a license or certification in order to perform services on behalf of the Company or its Subsidiaries ("Healthcare Professionals") to be, and, to the Knowledge of the Company, each Healthcare Professional is, duly licensed in each state in which the Healthcare Professional practices and the Company and its Subsidiaries verify, re-verify at appropriate intervals and maintains record of the same; neither the Company nor any of its Subsidiaries has received written notice that any Healthcare Professional is under investigation by, or is not in good standing with, any Governmental Entity including, but not limited to, a medical board. Each Healthcare Professional has been granted and continues to hold the requisite staff privileges at each Company facility at which such Healthcare Professional performs services on behalf of the Company or one of its Subsidiaries. Neither the Company nor any of its Subsidiaries has received written notice that the staff privileges of any Healthcare Professional have been or may be revoked, suspended or terminated.

(v) Notwithstanding anything to the contrary in this Agreement, the representations and warranties set forth in this Section 6R are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to health care matters, including matters arising under or relating to Health Care Laws.

6S. Related Party Transactions. Except as set forth on Section 6S of the Company Disclosure Letter, no Seller or employee, officer, director or Affiliate of the Company, Blocker or Seller, nor any individual, related by blood, marriage or adoption to any such individual, and no entity in which any such Person or individual owns any beneficial interest is a party to any agreement or contract, commitment or transaction with the Company or its Subsidiaries, or has any interest in any of the Assets.

6T. Deposit Accounts; Powers of Attorney. Section 6T(i) of the Company Disclosure Letter sets forth the name of each bank in which the Company or any of its Subsidiaries has an account, lock box or safe deposit box, the number of each such account, lock box and safe deposit box, and the names of all Persons authorized to draw thereon or have access thereto. Except as set forth on Section 6T(ii) of the Company Disclosure Letter, no Person holds any power of attorney from the Company or any of its Subsidiaries.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to the Sellers and the Company to enter into this Agreement, Buyer hereby represents and warrants as of the date of this Agreement that:

7A. Organization and Corporate Power. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Delaware and is qualified to do business as a foreign limited liability company and is in good standing in each jurisdiction in which the failure to so be in good standing or qualify would have a Buyer Material Adverse Effect. Buyer has all requisite limited liability company power and authority necessary to own and operate its properties and to carry on its business as now conducted and to enter into this

Agreement and the Escrow Agreements and to consummate the transactions contemplated hereby and thereby. The copies of the certificate of formation and limited liability company agreement of Buyer which have been made available to the Representative reflect all amendments made thereto at any time prior to the date of this Agreement.

7B. Authorization; No Breach.

(i) All limited liability company acts and other limited liability company proceedings required to be taken by Buyer to authorize the execution, delivery and performance of this Agreement, the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by Buyer at Closing and the consummation of the transactions contemplated hereby and thereby have been duly and properly taken. This Agreement has been duly executed and delivered by Buyer, and each of the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by Buyer at Closing, when so executed and delivered, shall have been duly executed and delivered by Buyer, and this Agreement constitutes, and each of the Escrow Agreements and the other agreements, documents and instruments contemplated hereby to be executed and delivered by Buyer at Closing, when so executed and delivered shall constitute, a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforcement may be limited by the application of bankruptcy, moratorium and other laws affecting creditors' rights generally and as such enforcement may be limited by the availability of specific performance and the application of equitable principles.

(ii) The execution and delivery by Buyer of this Agreement does not, and the consummation by Buyer of the transactions contemplated hereby does not and will not (A) result in a breach of any of the provisions of, (B) constitute a default under, (C) result in a violation of, (D) give any third party the right to terminate or to accelerate any obligation under, or (E) require any authorization, consent, approval, exemption or other action by or notice to any court or other governmental body, under any provision of the certificate of formation or other organizational or governing documents of Buyer, or any indenture, mortgage, loan agreement or material lease or any other material agreement or instrument to which Buyer is a party or by which Buyer or its assets are bound, or any material judgment, order or decree applicable to Buyer or its assets or any statute, law, ordinance, rule or regulation applicable to Buyer or its assets, other than any such authorizations, consents, approvals, exemptions or other actions required under the HSR Act.

7C. Legal Proceedings. There are no material actions, suits, proceedings or orders pending or, to Buyer's knowledge, threatened against Buyer at law or in equity, or before or by any Governmental Entity.

7D. Investigation. Buyer acknowledges that it is relying on its own investigation and analysis in entering into the transactions contemplated hereby. Buyer is knowledgeable about the industries in which the Company operates and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and is able to bear the substantial economic risk of such investment for an indefinite period of time. Buyer has been afforded full access to the books and records, facilities and personnel of the Company for purposes of conducting a due diligence investigation and has conducted a full due diligence investigation of the Company.

7E. Financing. Buyer shall have at the Closing sufficient cash, available lines of credit or other sources of immediately available funds to make payment of all amounts to be paid by it hereunder on and after the Closing Date.

7F. Brokerage. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer or any of its Affiliates, other than any agent, broker, investment banker, financial advisor or other firm or Person the fees and expenses of which shall be paid by Buyer.

7G. Solvency. Assuming the accuracy of the representations and warranties set forth in Article 4, Article 5 and Article 6, immediately after giving effect to the transactions contemplated hereby, immediately after giving effect to the transactions contemplated hereby, Buyer and each of its Subsidiaries (including the Company) shall be able to pay their respective debts as they become due and shall own property which has a fair saleable value greater than the amounts required to pay their respective debts (including a reasonable estimate of the amount of all contingent liabilities). Immediately after giving effect to the transactions contemplated hereby, Buyer and each of its Subsidiaries (including the Company) shall have adequate capital to carry on their respective businesses. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of Buyer and its Subsidiaries (including the Company).

7H. Acquisition for Investment. The Acquired Securities being purchased by Buyer pursuant to this Agreement are being purchased for investment only and not with a view to any public distribution thereof, and Buyer will not offer to sell or otherwise dispose of such securities in violation of any of the registration requirements of the Securities Act, or any comparable state law. Buyer is an "accredited investor" within the meaning of Regulation D promulgated pursuant to the Securities Act.

7I. Plant Closings and Mass Lay-Offs. Buyer does not currently plan or contemplate any plant closings, reductions in force or terminations of employees of the Company that, in the aggregate, would trigger WARN.

7J. Tax Matters. Buyer is disregarded as an entity separate from its owner under Treasury Regulation §301.7701-3, and its single owner is a corporation organized under the laws of Delaware.

ARTICLE 8
TERMINATION

8A. Termination. Anything contained herein to the contrary notwithstanding, this Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(i) by the mutual written consent of Buyer and the Representative (on behalf of the Sellers and the Company);

(ii) by Buyer, if there has been a material breach by any of the Sellers, the Blockers or the Company of any covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of Buyer at the Closing and such breach has not been waived by Buyer or, in the case of a covenant breach, cured by the Company within twenty days after written notice thereof from Buyer;

(iii) by the Representative (on behalf of the Sellers, the Blockers and the Company), if there has been a material breach by Buyer of any covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Sellers and the Company at the Closing and such breach has not been waived by the Representative or, in the case of a covenant breach, cured by Buyer within twenty days after written notice thereof by the Representative; provided that the failure to deliver the Estimated Purchase Price as required hereunder shall not be subject to cure hereunder unless otherwise agreed to in writing by the Representative;

(iv) by the Representative (on behalf of the Sellers and the Company) at its sole discretion if any Governmental Entity shall institute any suit or action challenging the validity or legality, or seeking to retrain the consummation of, the transactions contemplated by this Agreement; or

(v) by Buyer or the Representative (on behalf of the Sellers and the Company) if the transactions contemplated hereby have not been consummated prior to or on December 31, 2012; provided, that (a) Buyer shall not be entitled to terminate this Agreement pursuant to this Section 8A(v) if Buyer's material breach of this Agreement has prevented the consummation of the transactions contemplated hereby and (b) the Representative shall not be entitled to terminate this Agreement pursuant to this Section 8A(v) if any of the Sellers', the Blockers' or the Company's material breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

8B. Effect of Termination. In the event of any termination of this Agreement by Buyer or the Representative as provided in Section 8A, written notice thereof shall forthwith be given to the other party, and this Agreement shall forthwith become void and of no further force or effect (other than this Section 8B, Section 11C, Section 11M and Article 12, which shall survive the termination of this Agreement and shall be enforceable by the parties hereto), and there shall be no liability or obligation on the part of Buyer, the Sellers, Blockers, the Company, or the Representative to any other party hereto, except as set forth in this Section 8B and except for willful breaches of covenants set forth in this Agreement by such party prior to the time of such termination and, in the case of Buyer, any failure to have sufficient immediately available funds for the consummation of the transaction contemplated hereby or any failure to deliver to the Representative the Estimated Purchase Price. Nothing in this Article 8 shall be deemed to impair the right of any party to compel specific performance by another party of its obligations under this Agreement. If the transactions contemplated by this Agreement are terminated as

provided herein, (i) Buyer shall return all documents and copies and other materials received from or on behalf of the Company relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the Company, and (ii) all such information shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the termination of this Agreement.

ARTICLE 9
DEFINITIONS

9A. Definitions. The terms defined in Exhibit A hereto, whenever used herein, shall have the meanings set forth on Exhibit A for all purposes of this Agreement. The definitions on Exhibit A are incorporated into this Agreement as if fully set forth at length herein and all references to a section in such Exhibit A are references to such section of this Agreement.

9B. Usage.

(i) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(ii) Words denoting any gender shall include all genders. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(iii) The use of the words “or,” “either” and “any” in this Agreement shall not be exclusive.

(iv) A reference to any party to this Agreement or any other agreement or document shall include such party’s successors and permitted assigns.

(v) All references to “$” and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(vi) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided.

(vii) All references to “law” or “laws” means any federal, state, local or foreign law (including common law), treaty, statute, code, ordinance, rule, regulation, permit, license, written order or other requirement or guideline of any Governmental Entity in effect as of the date hereof except to the extent a representation or warranty refers to compliance with laws at a time prior to the date hereof, then “laws” shall mean such laws in effect at such time.

(viii) Any reference to any agreement or contract referenced herein or in the Company Disclosure Letter shall be a reference to such agreement or contract, as amended, modified, supplemented or waived.

ARTICLE 10
INDEMNIFICATION

10A. Indemnification by Sellers. From and after the Closing (but subject to the provisions of this Article 10), the Sellers shall, collectively or individually, as applicable, indemnify, hold harmless and defend Buyer and its Affiliates (including the Company and its Subsidiaries following the Closing) (collectively, the "Buyer Indemnified Parties"), from or with respect to, any Losses suffered or incurred by any of the Buyer Indemnified Parties to the extent arising from or based upon:

(i) any inaccuracy in or breach of any representation or warranty of the Sellers, a Blocker or the Company contained in this Agreement;

(ii) any breach of any covenant of the Sellers contained in this Agreement requiring performance following the Closing Date (the "Post-Closing Covenants"), including any covenant of payment set forth in Section 11G(ix), but excluding any covenant set forth on Schedule 10A(vi);

(iii) any breach of any covenant of the Company contained in this Agreement requiring performance prior to the Closing Date (but only to the extent such breach occurred prior to the Closing Date);

(iv) any claims for recoupment, offset, repayment or similar actions seeking to recover any moneys in respect of past payments against the Company of every kind and nature, civil or criminal, arising under the terms of any Governmental Program or any other third-party payor programs or health insurers;

(v) any of the matters set forth on Schedule 10A(v); or

(vi) items (1) and (2) set forth on (and subject to the provisions contained therein) Schedule 10A(vi).

10B. Indemnification by Buyer. From and after the Closing (but subject to the provisions of this Article 10), Buyer shall indemnify the Seller Parties against, and hold harmless the Seller Parties from, any Losses suffered or incurred by any such indemnified party prior to the Limitation Date to the extent directly arising from any breach of any representation or warranty of Buyer contained in this Agreement or any breach of any covenant or agreement of Buyer contained in this Agreement requiring performance by Buyer prior to the Closing or by Buyer or the Company from or after the Closing Date.

10C. Limitations on Indemnification; Exclusive Remedy.

(i) No claims for indemnification by Buyer Indemnified Parties pursuant to Section 10A(i) or 10A(iii) shall be asserted, and no Buyer Indemnified Party shall be entitled to indemnification pursuant to Section 10A(i) or 10A(iii), (A) where the loss relating to such claim, or series of related claims, is less than $5,000, and (B) unless and until the aggregate amount of all Losses indemnifiable thereunder exceeds on a cumulative basis an amount equal to $1,000,000

(the "Deductible"), and then once such Deductible is exceeded, the Buyer may seek indemnification and the Seller Parties shall be liable only to the extent of such excess; provided, however, that such limitations shall not apply to claims for Losses based upon, arising out of or otherwise in respect of any inaccuracy in or breach of any of the Fundamental Representations or the representations and warranties contained in Sections 5G (Tax Matters), 6H (Tax Matters), 6M (Employee Benefit Plans) or 6R (Health Care Regulatory Compliance).

(ii) All claims for indemnification by Buyer Indemnified Parties pursuant to Section 10A(i), 10A(iii), 10A(iv) and 10A(vi) shall be asserted solely and exclusively against the Indemnity Escrow Amount then remaining in the Indemnity Escrow Account pursuant to the terms of the Indemnity Escrow Agreement and the Indemnity Escrow Amount then remaining in the Indemnity Escrow Account shall be the Buyer Indemnified Parties sole and exclusive source of recovery for any amounts owing to any Buyer Indemnified Party pursuant to Sections 10A(i), 10A(iii), 10A(iv) and 10A(vi); provided, however, that such limitations shall not apply to claims for Losses based upon, arising out of or otherwise in respect of any inaccuracy in or breach of any of the Fundamental Representations. Notwithstanding anything herein to the contrary, the maximum aggregate amount that the Buyer Indemnified Parties may seek for indemnification or that otherwise may be required to be indemnified for by any Seller under this Article 10 shall not exceed the net proceeds received by such Seller (inclusive of amounts received by a Seller and such Seller's Affiliates by virtue of their respective ownership interests in Holdings) pursuant to this Agreement.

(iii) Notwithstanding anything in this Agreement to the contrary, the Buyer Indemnified Parties may recover from the Indemnity Escrow Account the full amount of any Losses such Buyer Indemnified Party is entitled to be indemnified for under this Agreement, whether such Losses arise from or are based upon a breach of or inaccuracy in any of the representations and warranties of a Seller, a Blocker or the Company. In the event any Buyer Indemnified Parties incur any indemnifiable Losses arising from or based upon (1) a breach of or inaccuracy in any of the Fundamental Representations, (2) a breach of a Post-Closing Covenant or (3) any of the Identified Matters, such Buyer Indemnified Parties shall have the right to recover all or any portion of such Losses from (x) the Indemnity Escrow Account or (y) any one or more Sellers on a joint and several basis subject to the last sentence of Section 10C(ii), and in the event that such Buyer Indemnified Party obtains recovery from the Indemnity Escrow Account pursuant to Section 10C(iii)(x) the Sellers hereby agree to pay, jointly and severally, to the Escrow Agent the amount of such Losses so recovered from the Indemnity Escrow Account for re-deposit into the Indemnity Escrow Account to be held in accordance with the Indemnity Escrow Agreement (each, a "Replenishment Obligation"); provided that, if a Seller breaches (each, a "Breaching Seller") a Fundamental Representation or a Post-Closing Covenant, in each case, that is particular to such Seller (each a "Specific Seller Breach"), and a Buyer Indemnified Party obtains recovery for such Specific Seller Breach from the Indemnity Escrow Account, then such Breaching Seller shall only be responsible for such Replenishment Obligation.

(iv) Each party acknowledges and agrees that, from and after the Closing (except for disputes under Section 1D, which disputes will be resolved in accordance with the dispute mechanism set forth in Section 1D), its sole and exclusive remedy with respect to any and all claims relating to the subject matter of this Agreement and the Company Disclosure Letter and the transactions contemplated hereby and thereby shall be pursuant to the indemnification provisions set forth in this Article 10. Notwithstanding anything herein to the contrary, the liability of any party under this Agreement shall be in addition to, and not exclusive of, any other liability that such party may have at law or equity for fraud and none of the provisions set forth in this Agreement shall be deemed a waiver by any party to this Agreement of any right or remedy

which such party may have at law or equity based on any other party's fraud, nor shall any such provisions limit, or be deemed to limit (A) the amounts of recovery sought or awarded in any such claim for fraud, (B) the time period during which such a claim for fraud may be brought (subject to any applicable statute of limitations), or (C) the recourse which any such party may seek against another party with respect to such a claim for fraud; provided that nothing in this Section shall allow any party to recover more than once for the same Loss(es). Any claim for fraud for which a party suffering Losses arising therefrom shall be brought outside this Agreement and not under this Agreement.

(v) If at any time or from time to time a Seller is obligated to (i) make any payments to the Buyer Indemnified Parties under or otherwise with respect to the indemnification provisions contained in this Agreement (including any Replenishment Obligation) or (ii) incur any expenses (including reasonable attorney fees) in handling, defending, settling, satisfying, paying, performing or processing any payments or claims in connection with or arising out of the indemnification provisions contained in this Agreement or otherwise (such Seller, an "Indemnifying Seller" and each of clauses (i) and (ii), a "Funding Obligation"), in each case, other than in connection with an Indemnifying Seller's Specific Seller Breach, then each Seller that is not the Indemnifying Seller (the "Contributing Sellers") hereby agrees to promptly reimburse the Indemnifying Seller for his or its Contributing Seller Pro Rata Portion of the Funding Obligations satisfied by the Indemnifying Seller by delivery of check or wire transfer of immediately available funds to the account or accounts designated by the Indemnifying Seller. A Contributing Seller's "Contributing Seller Pro Rata Portion" means the percentage set forth opposite such Contributing Seller's name in Section 10C of the Company Disclosure Letter. After the Indemnifying Seller determines to seek reimbursement in respect of a Funding Obligation, the Indemnifying Seller shall provide each Contributing Seller a written notice (a "Funding Notice") of the Funding Obligation, setting forth the aggregate amount of such Funding Obligation, such Contributing Seller's required reimbursement obligation and the manner in which such reimbursement obligation is to be fulfilled. Each Contributing Seller shall fund its required reimbursement obligation as set forth in the Funding Notice on the date designated therein by check or wire transfer of immediately available funds to the account number(s) set forth in the Funding Notice. The failure of the Indemnifying Seller to deliver a Funding Notice pursuant to this Section 10C(v) shall not limit the rights or obligations of the indemnifying Seller or the other Contributing Sellers under this Agreement.

10D. Termination of Indemnification. The obligations to indemnify and hold harmless a party hereto in respect of a breach of representation or warranty or covenant shall terminate when the applicable representation or warranty or covenant terminates pursuant to Section 11A; provided, however, that such obligations to indemnify and hold harmless shall not terminate with respect to any item as to which the Person to be indemnified shall have, prior to the Limitation Date, previously made a claim by delivering a written notice (stating in reasonable detail the nature of, and factual and legal basis for, any such claim for indemnification, and the provisions of this Agreement upon which such claim for indemnification is made) to the Indemnifying Party in accordance with this Agreement.

10E. Procedures Relating to Indemnification.

(i) In order for a Person that has rights of indemnification under this Agreement (each, an "Indemnified Party") to be entitled to any indemnification provided for under this

Agreement in respect of a claim or demand made by any Person against the Indemnified Party (a "Third Party Claim"), such Indemnified Party must notify the indemnifying party (the "Indemnifying Party") in writing, and in reasonable detail, of the Third Party Claim as promptly as reasonably possible after receipt by such Indemnified Party of notice of the Third Party Claim; provided that failure to give such notification on a timely basis shall not affect the indemnification provided hereunder except to the extent the Indemnifying Party shall have been actually prejudiced as a result of such failure; provided further that, for purposes of making claims against the Indemnity Escrow Amount, written notice to the Representative shall be deemed written notice to the Indemnifying Party pursuant to this Section 10E(i). Thereafter, the Indemnified Party shall deliver to the Indemnifying Party, within five (5) Business Days after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim.

(ii) If a Third Party Claim is made against an Indemnified Party, the Indemnifying Party shall be entitled to participate in the defense thereof and, if it elects, to assume the defense thereof with counsel selected by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. Notwithstanding the foregoing, an Indemnifying Party may not assume the defense of any Third Party Claim if such claim (i) could result in imprisonment of or imposition of a civil or criminal fine against the Indemnified Party or its representatives, (ii) could result in an equitable remedy that would impair the Indemnified Party's ability to exercise its rights under this Agreement, or with respect to a Buyer Indemnified Party, impair such Buyer Indemnified Party's right or ability to own or operate its assets or properties or conduct its businesses, including the Business, or (iii) the claim names both the Indemnifying Party and the Indemnified Party (including impleaded parties) and representation of both such parties by the same counsel would create a conflict in the determination of the Indemnified Party. Should an Indemnifying Party elect to assume the defense of a Third Party Claim, the Indemnifying Party shall not be liable to the Indemnified Party for legal expenses subsequently incurred by the Indemnified Party in connection with the defense thereof. If the Indemnifying Party assumes such defense, the Indemnified Party shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Party, it being understood, however, that the Indemnifying Party shall control such defense. If the Representative (on behalf of the Sellers) is defending a Third Party Claim, the reasonable expenses of the Representative incurred in defending a Third Party Claim (or any participation in a Third Party Claim that could result in Losses to the Representative) shall be reimbursed, when and as incurred, from the Indemnity Escrow Funds. If the Indemnifying Party chooses to defend any Third Party Claim, all the parties hereto shall reasonably cooperate in the defense or prosecution of such Third Party Claim. Such cooperation shall include the retention and (upon the Indemnifying Party's request) the provision to the Indemnifying Party of records and information which are reasonably relevant to such Third Party Claim, and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Further, if an Indemnifying Party assumes the defense of a Third Party Claim, such Indemnifying Party shall agree prior thereto, in writing, that it is liable under this Article 10 to indemnify the Indemnified Party in accordance with the terms contained herein in respect of such claim (subject to the limitations and other terms and conditions set forth herein) and shall conduct such defense diligently; provided, however, that the Indemnifying Party shall not without the written consent of the Indemnified Party (such consent not to be unreasonably withheld, conditioned or delayed) consent to the entry of any judgment or enter into any settlement with respect to the matter which (x) does not include a provision whereby the plaintiff or the claimant in the matter releases the Indemnified Party from all liability with respect thereto, (y) in the case of Buyer Indemnified Parties, does not include any provision that would impose any obligation (including an obligation to refrain from taking action) upon Buyer, the Company

or their Affiliates or (z) the Losses resulting therefrom are not fully indemnified for by the Indemnifying Party. Whether or not the Representative shall have assumed the defense of a Third Party Claim, neither Buyer nor any of its Affiliates shall admit any liability with respect to, consent to the entry of any judgment, or settle, compromise or discharge, any Third Party Claim without the prior written consent of the Representative (which shall not be unreasonably held).

10F. Certain Additional Matters.

(i) The amount of any and all Losses under this Article 10 shall be determined net of (a) the amount of any Tax Benefit actually received by any party seeking indemnification hereunder arising from the deductibility of any such Losses and (b) any amounts recovered by an Indemnified Party or any of such Indemnified Party's Affiliates under or pursuant to any insurance policy, Run-Off Insurance Policy, title insurance policy, indemnity, reimbursement arrangement or contract (less any reasonable costs required to obtain any such recovery and any increases in premiums as a result of such recovery) pursuant to which or under which the Company is a party or has rights (collectively, "Alternative Arrangements"). Subject to the Company's obligation to purchase the Run-Off Insurance Policies, Buyer shall use its commercially reasonable efforts to maintain Alternative Arrangements in effect for the Company following the Closing that are substantially similar to the Alternative Arrangements in effect for the Company immediately prior to the Closing. If a Tax Benefit is actually received by an Indemnified Party after an indemnification payment is made to it, the Indemnified Party shall promptly reimburse such amount (but not in excess of the indemnification payment actually received from the Indemnifying Party with respect to such Loss) to the Indemnifying Party.

(ii) In no event shall any Indemnified Party be entitled to recover or make a claim for any amounts in respect of, and in no event shall "Losses" be deemed to include, (a)(1) any punitive, indirect or exemplary damages, or (2) any losses, liabilities damages or expenses for lost profits or diminution in value or any "multiple of profits", "multiple of cash flow" or similar valuation methodology used in calculating the amount of Losses, or (b) in the case of Buyer, any loss, liability, damage or expense to the extent included in the calculation of Closing Net Working Capital or Closing Net Indebtedness or reserved against in the Closing Balance Sheet. Notwithstanding the foregoing, "Losses" shall include and the Buyer Indemnified Parties may be entitled to make a claim for the Losses (x) described in (a)(1) of the foregoing sentence to the extent a Buyer Indemnified Party pays such Losses to a third party pursuant to a Third Party Claim or (y) described in (a)(2) of the foregoing sentence to the extent such Losses have a detrimental and reoccurring effect on the Company's consolidated earnings after the Closing.

(iii) Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes.

(iv) No Buyer Indemnified Party shall have any right to indemnification under Section 10A or otherwise under this Agreement to the extent such Losses consist of Taxes that (i) are attributable to taxable periods (or portions thereof) beginning after the Closing Date, other than those Losses directly resulting from Sellers' failure to timely file any Tax Returns required to be filed by the Representative, HEP or Siguler under Section 11G(i), to include a Code Section 754 election under Section 11G(v) or failure to take any other action with respect to timely payment of Taxes required under Section 11G, which failure results in an increase in Taxes for such taxable periods (or portions thereof) beginning after the Closing Date or other Tax detriment to Buyer for which Buyer Indemnified Parties are entitled to indemnification

under Section 10A; (ii) are due to the unavailability in any taxable period (or portion hereof) beginning after the Closing Date of any net operating losses, credits or other Tax attribute of the Company or the Blockers from a taxable period (or portion thereof) ending on or prior to the Closing Date; or (iii) are attributable to any breach or other violation of Section 11G(ii).

(v) In the event that a representation, warranty, covenant or obligation contained in this Agreement (other than Section 6E(i), the first sentence of Section 6F and the first sentence of Section 6I) is qualified by words or phrases such as "material," "materially," "material respects," "Material Adverse Effect," or words of similar import, such qualifiers shall be disregarded following the Closing for purposes of determining whether a breach of such representation or warranty has occurred and for calculating the amount of any Losses for which the Indemnified Parties are entitled to indemnification pursuant to this Agreement.

(vi) Any amounts owed by the Sellers to any Buyer Indemnified Party pursuant to this Agreement shall be first claimed and recovered against the Indemnity Escrow Account in accordance with the terms and conditions of the Indemnity Escrow Agreement prior to, and as a condition of, the Sellers' obligation to otherwise indemnify, defend and hold harmless any Buyer Indemnified Party (subject to claims in which the Indemnity Escrow Account is the sole and exclusive remedy). Subject to the other limitations contained herein, each Seller shall be solely responsible for any and all Losses in excess of the Indemnity Escrow Amount based upon, arising out of or otherwise in respect of any inaccuracy in or breach by such Seller of any representation or warranty of such Seller contained in Article 4 of this Agreement, and for the avoidance of doubt, no Pro Rata Share shall be taken into account for such inaccuracies or breaches.

(vii) Each Indemnified Party hereby waives any subrogation rights that its insurer may have with respect to any indemnifiable Losses. After any indemnification payment is made to any Indemnified Party pursuant to this Article 10, the Indemnifying Party shall, to the extent of such payment, be subrogated to all rights (if any) of the Indemnified Party against any third party in connection with the Losses to which such payment relates. Without limiting the generality of the preceding sentence, any Indemnified Party receiving an indemnification payment pursuant to the preceding sentence shall execute, upon the written request of the Indemnifying Party, any instrument reasonably necessary to evidence such subrogation rights.

ARTICLE 11
ADDITIONAL AGREEMENTS

11A. Survival. The representations and warranties of the parties, and covenants of the parties which require performance on or prior to the Closing Date, set forth in this Agreement or in any certificate delivered pursuant to Article 2 of this Agreement (other than representations, warranties and covenants with respect to Taxes) shall survive the Closing and shall terminate at 5:00 p.m. central time on March 31, 2014 (the "Limitation Date"); except that the Fundamental Representations shall survive the Closing until the expiration of the statute of limitations applicable to the underlying claim. The Post-Closing Covenants, and in the case of the Buyer Indemnified Parties, the covenants and agreements contained herein requiring performance following the Closing Date, shall survive the Closing in accordance with the terms thereof, subject to any applicable statute of limitations. Within five (5) Business Days after the Limitation Date, Escrow Agent shall, pursuant to the terms of the Indemnity Escrow Agreement, release to, or as directed by, the Representative an amount equal to the excess of (i) all remaining Indemnity Escrow Funds in the Indemnity Escrow Account minus (ii) the aggregate amount (the "Claim Amount") for which valid claims for indemnification were made against the Indemnity Escrow Amount prior to the Limitation Date and

not yet resolved. Furthermore, within five (5) Business Days after it is determined that all or any portion of the Claim Amount is not owed to Buyer hereunder, the Escrow Agent shall, pursuant to the terms of the Indemnity Escrow Agreement, release to, or as directed by, the Representative such portion of the Claim Amount. Subject to Section 11J, any amounts received by the Representative pursuant to this Section 11A shall be received for the Sellers.

11B. Press Release and Announcements. The Company (including its Subsidiaries), the Sellers, the Blockers and Buyer agree that, from the date hereof until the Closing Date, no public release or announcement concerning the transactions contemplated hereby shall be issued or made by or on behalf of any party without the prior consent of the other parties, except that the Company may at its discretion make announcements from time to time to its employees, customers, suppliers and other business relations, and otherwise as the Company may reasonably determine is necessary to comply with applicable law or the requirements of any agreement to which the Company is a party. Notwithstanding the foregoing, the parties hereto agree that Buyer (and Guarantor) is expressly permitted to issue one or more press releases or other public announcements concerning the transactions contemplated by this Agreement immediately following the execution of this Agreement and the Closing and at such times may file any documents describing the transactions contemplated herein to the extent required by securities laws or to comply with accounting or other disclosure obligations (in each case in the reasonable judgment of counsel to Buyer (and Guarantor). The Sellers, the Blockers, the Company and Buyer agree to keep the terms of this Agreement confidential, except to the extent required by applicable law or for financial reporting purposes and except that the parties may disclose such terms to their respective employees, accountants, advisors and other representatives as necessary in connection with the ordinary conduct of their respective businesses (so long as such Persons agree to or are bound by contract to keep the terms of this Agreement confidential), and Linden, Siguler and their Affiliates (except for the Company) may provide information about the subject matter of this Agreement and the transactions contemplated hereby in connection with Linden's, Siguler's, or their Affiliates' fund raising, marketing, information and reporting activities.

11C. Confidentiality.

(i) Buyer acknowledges that all information provided to it and any of its and its Affiliates' agents and representatives by the Company and its Affiliates, agents and representatives (including pursuant to Section 3A) is subject to the terms of a confidentiality agreement between or on behalf of the Company and Buyer or one or more of their respective Affiliates or other beneficial owners (the "Confidentiality Agreement"), the terms of which are hereby incorporated herein by reference.

(ii) The Sellers acknowledge that they may be in possession of Confidential Information (as defined below) of special value to the Company and its Subsidiaries. For purposes of this Section 11C, the term "Confidential Information" means all information exclusively related to the businesses, operations and affairs of the Company and its Subsidiaries (other than information which is generally available to the public, except as a result of a breach by the Seller of this Agreement), including the Company's and its Subsidiaries' confidential and proprietary information about its business, facilities, clinics, financial condition, products, technology, know-how and business programs and plans. The Seller acknowledges and agrees that the Confidential Information is proprietary and confidential in nature. From and for a period of five (5) years after the Closing Date, the Sellers shall maintain in confidence, and shall not disclose any such Confidential Information. The foregoing shall not prohibit disclosure of such

information (i) as is required by applicable law (after such Seller has advised and consulted with Buyer about its intention to make, and the proposed contents of, such disclosure); provided, that the Sellers shall provide Buyer with prompt written notice of such request so that Buyer may seek an appropriate protective order or other appropriate remedy and, if such protective order or remedy is not obtained, the Sellers may disclose only that portion of the Confidential Information which such Seller is legally required to disclose, and such Seller shall exercise its commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to such Confidential Information so disclosed or (ii) as is necessary for the Sellers to assert or protect any rights of such Seller hereunder.

11D. Consents. Buyer acknowledges that certain consents to the transactions contemplated by this Agreement may be required from parties to contracts, leases, licenses or other agreements to which the Company is a party (including the Company Material Contracts, as required to be disclosed on Section 6D of the Company Disclosure Schedule), and such consents have not been obtained and may not be obtained. Buyer agrees that neither the Company nor any of the Seller Parties shall have any liability whatsoever to Buyer (and Buyer shall not be entitled to assert any claims) arising out of or relating to the failure to obtain any consents that may have been or may be required in connection with the transactions contemplated by this Agreement or because of the default, acceleration or termination of or loss of right under any such contract, lease, license or other agreement as a result thereof; provided, however, nothing in this Section 11D amends or limits the representations and warranties set forth in Section 6D or reduces or relieves any liability of the Sellers for a breach of or inaccuracy in any of such representations or warranties.

11E. Reasonable Best Efforts. Subject to the terms of this Agreement (including the limitations set forth in this Section 11E), each of Buyer, the Sellers and the Company shall use its reasonable best efforts to cause the other parties' conditions to Closing to be satisfied and for the Closing to occur. The "reasonable best efforts" of the Company shall not for any purpose in connection with this Agreement require the Company or any of its Affiliates to expend any money to remedy any breach of any representation or warranty hereunder or to commence any litigation or arbitration proceeding.

11F. Regulatory Act Compliance.

(i) Buyer and the Company shall each file or cause to be filed, promptly (but in any event within five (5) Business Days) after the date of this Agreement, any notifications or the like required to be filed under the HSR Act and other antitrust or competition laws of any applicable jurisdiction with respect to the transactions contemplated hereby. Buyer and the Company shall bear the costs and expenses of their respective filings and shall bear all filing fees in connection therewith equally. Buyer and the Company shall use their respective reasonable best efforts to respond to any requests for additional information made by any agencies and to cause the waiting periods or other requirements under the HSR Act and all other applicable antitrust or competition laws to terminate or expire at the earliest possible date (including with respect to filings under the HSR Act, seeking early termination of the waiting period under the HSR Act) and, subject to the Representative's rights under Section 8A, to resist in good faith (including the institution or defense of legal proceedings), any assertion that the transactions contemplated hereby constitute a violation of the antitrust or competition laws of any applicable jurisdiction, all to the end of expediting consummation of the transactions contemplated hereby. Each of Buyer and the Company shall (A) unless otherwise prohibited by applicable law, promptly notify each other of

any communication to that party from the Federal Trade Commission ("FTC"), the United States Department of Justice ("DOJ") or any other regulatory agency with respect to the transactions contemplated hereby, and permit the other party to review in advance any proposed written communication to the FTC, the DOJ or any other regulatory agency; (B) unless otherwise prohibited by applicable law, furnish the other party with copies of all correspondence, filings and other communications (and memoranda setting forth the substance thereof) between it, its Affiliates and their respective representatives, on the one hand, and the FTC, the DOJ or any other regulatory agency, or members of their respective staffs, on the other hand, with respect to the transactions contemplated hereby (excluding documents and communications which are subject to pre-existing confidentiality agreements or to attorney-client privilege), although Buyer may redact therefrom all competitively sensitive information to the extent permitted to do so by law; and (C) consult with the other prior to any meetings, by telephone or in person, with the staff of the FTC, the DOJ or any other regulatory agency, and each of Buyer and the Company shall have the right to have a representative present at any such meeting if such agency does not object.

(ii) Notwithstanding any provision in this Agreement to the contrary, Buyer agrees to take any and all commercially reasonable steps necessary to avoid or eliminate each and every impediment under any law that may be asserted by any Governmental Entity or any other Person so as to enable the parties to expeditiously close the transactions contemplated hereby, including consenting to any commercially reasonable divestiture or other structural or conduct relief in order to obtain clearance from any Governmental Entity. At the written request of the Company, to the extent it is commercially reasonable for such parties, Buyer and its Affiliates will be obligated to contest, administratively or in court, any ruling, order, or other action of any Governmental Entity or any other Person respecting the transactions contemplated by this Agreement.

11G. Certain Tax Matters.

(i) Responsibility for Filing Tax Returns.

(A) The Representative shall prepare or cause to be prepared, and timely file or cause to be timely filed, all federal, state and local income Tax Returns for the Company and its Subsidiaries and for Linden Blocker for periods ending on or before the Closing Date the due date of which is after the Closing Date ("Representative Returns"). Buyer shall prepare and timely file all Tax Returns of the Company, any Subsidiary of the Company and Linden Blocker for periods that include the Closing Date (other than the Representative Returns) the due date of which is after the Closing Date (the "Buyer Representative Returns").

(B) HEP shall prepare or cause to be prepared, and timely file or cause to be timely filed, all federal, state and local income Tax Returns for the HEP Blocker for periods ending on or before the Closing Date the due date of which is after the Closing Date ("HEP Returns"). Buyer shall prepare and timely file all Tax Returns of the HEP Blocker for periods that include the Closing Date (other than the HEP Returns) the due date of which is after the Closing Date (the "Buyer HEP Returns").

(C) Siguler shall prepare or cause to be prepared, and timely file or cause to be timely filed, all federal, state and local income Tax Returns for the Siguler Blocker for periods ending on or before the Closing Date the due date of which is after the Closing

Date ("Siguler Returns" and together with the Representative Returns and the HEP Returns, the "Seller Returns"). Buyer shall prepare and timely file all Tax Returns of the Siguler Blocker for periods that include the Closing Date (other than the Siguler Returns) the due date of which is after the Closing Date (the "Buyer Siguler Returns" and together with the Buyer Representative Returns and the Buyer HEP Returns, the "Buyer Returns").

(D) The preparation and filing of the Seller Returns and the Buyer Returns shall be done on a basis consistent with the past practice of the respective entities, except as otherwise required by applicable law. Representative, HEP and Siguler, as the case may be, shall submit each Seller Return which such entity is required to prepare to Buyer at least thirty (30) days prior to the due date (taking into account any extensions) and Buyer shall have the right to review and comment on such Tax Returns and Representative, HEP and Siguler, as the case may be, shall reflect such comments from Buyer on such Seller Returns to the extent such comments are not inconsistent with the standard set forth in the previous sentence and are in accordance with applicable law. At least thirty (30) days prior to the due date (taking into account any extensions), Buyer shall submit (i) each Buyer Representative Return to the Representative, (ii) each Buyer HEP Return to HEP, and (iii) each Buyer Siguler Return to Siguler, and the Representative, HEP and Siguler, as the case may be, shall have the right to review and comment on such Buyer Return and Buyer shall reflect such comments from the Representative, HEP and Siguler, as the case may be, on such Buyer Return to the extent such comments are not inconsistent with the standard set forth in the second previous sentence and are in accordance with applicable law.

(ii) Filing and Amendment of Tax Returns.

(A) Without the prior written consent of the Representative, which consent shall not be unreasonably withheld, conditioned or delayed, Buyer will not (i) file or amend or permit any of the Company, any Subsidiary of the Company or the Linden Blocker to file or amend any Tax Return of the Company, any Subsidiary of the Company or the Linden Blocker relating to a taxable period (or portion thereof) ending on or prior to the Closing Date (a "Pre-Closing Tax Period"), except for Tax Returns that are filed pursuant to Section 11G(i)(A), (ii) with respect to Tax Returns filed pursuant to Section 11G(i)(A), after the date such Tax Returns are filed, amend or permit any of the Company, any Subsidiary of the Company, or the Linden Blocker to amend any such Tax Return, (iii) extend or waive, or cause to be extended or waived, or permit the Company, any Subsidiary of the Company, or the Linden Blocker to extend or waive, any statute of limitations or other period for the assessment of any Tax or deficiency related to a Pre-Closing Tax Period of the Company, any Subsidiary of the Company, or the Linden Blocker, or (iv) make or change any Tax election or accounting method with respect to the Company, any Subsidiary of the Company, or the Linden Blocker that has retroactive effect to any Pre-Closing Tax Period.

(B) Without the prior written consent of HEP, which consent shall not be unreasonably withheld, conditioned or delayed, Buyer will not (i) file or amend or permit the HEP Blocker to file or amend any of HEP Blocker's Tax Returns relating to a Pre-Closing Tax Period, except for Tax Returns that are filed pursuant to Section 11G(i)(B), (ii) with respect to Tax Returns filed pursuant to Section 11G(i)(B), after the date such Tax Returns are filed, amend or permit the HEP Blocker to amend any such Tax Return, (iii) extend or waive, or cause to be extended or waived, or permit the HEP Blocker to

extend or waive, any statute of limitations or other period for the assessment of any Tax or deficiency related to a Pre-Closing Tax Period of the HEP Blocker, or (iv) make or change any Tax election or accounting method with respect to the HEP Blocker that has retroactive effect to any Pre-Closing Tax Period.

(C) Without the prior written consent of Siguler, which consent shall not be unreasonably withheld, conditioned or delayed, Buyer will not (i) file or amend or permit the Siguler Blocker to file or amend any of Siguler Blocker's Tax Returns relating to a Pre-Closing Tax Period, except for Tax Returns that are filed pursuant to Section 11G(i)(C), (ii) with respect to Tax Returns filed pursuant to Section 11G(i)(C), after the date such Tax Returns are filed, amend or permit the Siguler Blocker to amend any such Tax Return, (iii) extend or waive, or cause to be extended or waived, or permit the Siguler Blocker to extend or waive, any statute of limitations or other period for the assessment of any Tax or deficiency related to a Pre-Closing Tax Period of the Siguler Blocker, or (iv) make or change any Tax election or accounting method with respect to the Siguler Blocker that has retroactive effect to any Pre-Closing Tax Period.

(iii) Tax Audits. Notwithstanding any other provision of this Agreement, with respect to any claim, audit, examination, or administrative or court proceeding relating to any audits or assessments or other disputes regarding any Tax Return filed by or that includes the Company, any Subsidiary of the Company, the Linden Blocker, the HEP Blocker or the Siguler Blocker, with respect to any Pre-Closing Tax Period ("Tax Proceeding"), as the case may be, (a) the Representative shall have the right in its discretion and at its expense to elect to represent the interests of the Company, the Linden Blocker, and the Sellers with respect to any Tax Proceeding, (b) HEP shall have the right in its discretion and at its expense to elect to represent the interests of HEP Blocker with respect to any Tax Proceeding, and (c) Siguler shall have the right in its discretion and at its expense to elect to represent the interests of Siguler Blocker with respect to any Tax Proceeding. Buyer shall promptly notify the Representative, HEP, or Siguler, as applicable, in writing upon receiving notice from any taxing authority of the commencement of any Tax Proceeding regarding any Tax Return filed by or with respect to the Company, any Subsidiary of the Company, or the Blockers with respect to tax periods that end on or before the Closing Date, and Buyer shall take all action commercially reasonably necessary (including providing a power of attorney) to enable the Representative, HEP, or Siguler, as applicable, to exercise its control rights as set forth in this Section 11G. provided , however , that the failure to give notice as provided in this Section 11G shall not affect Buyer's right to indemnification under this Agreement except to the extent Sellers shall have been prejudiced by such failure. Further, if the Representative or a Seller Party assumes the defense of a Tax Proceeding, such party shall agree prior thereto, in writing, that it is liable under this Agreement to indemnify the Buyer Indemnified Parties in accordance with the terms contained herein in respect of such Tax Proceeding (subject to the limitations and other terms and conditions set forth herein) and shall conduct such defense diligently; provided, however, that the Representative or applicable Seller Party shall not without the written consent of the Buyer (which shall not be unreasonably withheld, conditioned or delayed) consent to the entry of any judgment or enter into any settlement with respect to any Tax Proceeding which (x) results in an increase of or has the effect of increasing any Tax liability of any of the Buyer Indemnified Parties or their Affiliates following the Closing Date or (z) the Losses resulting therefrom are not fully indemnified for by the Sellers.

(iv) Cooperation. Buyer, the Blockers, the Company, Sellers and the Representative shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of Tax Returns pursuant to this Section 11G (including timely

executing any Tax Returns required to be filed by the Representative, HEP or Siguler under Section 11G(i)), any audit, litigation or other proceeding with respect to Taxes and the computation and verification of any amounts paid or payable under this Section 11G (including any supporting workpapers, schedules and documents). Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Except for books and records pertinent to federal, state and local income Tax matters with respect to the Company and the Blockers for periods ending on or before the Closing Date (which books and records shall be retained by the Representative, HEP, or Siguler, as applicable, and copies of which shall be provided to Buyer at the Closing), the Company and the Blockers shall retain all books and records with respect to Tax matters pertinent to the Company and the Blockers relating to any tax periods and shall abide by all record retention agreements entered into with any taxing authority, and shall give the Representative, HEP, or Siguler, as applicable, reasonable written notice prior to transferring, destroying or discarding any such books and records prior to the expiration of the applicable statute of limitations for that tax period, and if the Representative, HEP, or Siguler, as applicable, so requests, the Company and the Blockers shall allow the Representative, HEP, or Siguler, as applicable, to take possession of such books and records rather than destroying or discarding such books and records.

(v) Company 754 Election. Notwithstanding any provision of this Agreement to the contrary, the parties hereto agree that the Company will make an election under Code Section 754 on its partnership tax return that includes the Closing Date, or as otherwise specifically directed in writing by Buyer to the Company prior to filing any Tax Returns hereunder.

(vi) Section 338. Buyer shall not make any election under Code Section 338 (or any similar provision under state, local, or foreign law) with respect to the acquisition of any Blocker or any of their Affiliates.

(vii) Tax Year End; Allocation of Taxes. Buyer shall not take any action that may prevent the Tax year of any Blocker from ending under applicable law for federal and state income tax purposes at the end of the day on which the Closing occurs (including for federal income tax purposes, causing Blockers to join in the "consolidated group" of Buyer (within the meaning of Treasury Regulation §1.1502-1(h)). In any case where applicable Law does not permit the Company, any Subsidiary of the Company or any Blocker to treat the Closing Date as the last day of the Taxable period, the amount of Taxes that are allocable to the portion of the Straddle Period ending on and including the Closing Date shall be: (A) in the case of Taxes imposed on a periodic basis with respect to the business or assets of the Company, any Subsidiary of the Company, or any Blocker, as applicable, the amount of such Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of calendar days in the portion of the Straddle Period ending on and including the Closing Date, and the denominator of which is the number of calendar days in the entire Straddle Period; and (B) in the case of Taxes that are based upon or related to income, gross or net sales, payments or receipts (including any income Taxes), deemed equal to the amount that would be payable if the taxable period ended on the Closing Date. Notwithstanding the foregoing, any Taxes relating to any transactions not in the ordinary course of business that occur after the time of the Closing on the Closing Date shall be treated as occurring on the day after the Closing Date.

(viii) Tax Treatment of Acquisition. For federal and applicable state income tax purposes, the parties acknowledge and agree that the Blocker Pre-Closing Distribution shall be

treated (A) as a distribution under Code §731 of each Blockers respective proportionate, undivided indirect ownership interest in the assets of the Company (including any assets of Subsidiary of the Company which is treated as a disregarded entity for federal or applicable state and local income tax purposes) and (B) as a subsequent contribution under Code §721 of such assets to the Company in exchange for Units of the Company, and such transactions shall be reported by the parties consistently therewith for federal and applicable state and local income tax purposes. For U.S. federal and applicable state and local income tax purposes, the parties agree to treat the transfer of the Acquired Securities to Buyer in exchange for Buyer paying the Purchase Price to Sellers on the terms and conditions set forth herein as (A), in the case of the Acquired Units, as a sale of partnership interests in the Company to Buyer and (B), in the case of the Acquired Shares, as a sale of capital stock in the Blockers to Buyer.

(ix) Tax Liabilities.

(A) Sellers shall be responsible for, pay and indemnify the Buyer Indemnified Parties from (i) all Taxes of the Company and its Subsidiaries for all Pre-Closing Tax Periods, (ii) all Taxes of any Person imposed on the Company or any Subsidiary for a Pre-Closing Tax Period as a result being a member of an affiliated, consolidated, combined, or unitary group of which the Company and its Subsidiaries (or any predecessor of any of the foregoing) is or was a member on or prior to the Closing Date, (iii) all Taxes of any Person (other than the Company and its Subsidiaries) imposed on the Company or any of its Subsidiaries as a transferee or successor, by contract (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter) or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing, or (iv) Taxes of the Company or any Subsidiary of the Company resulting from the Blocker Pre-Closing Distribution, Texas Blocker Redemption or the Pre-Closing Intercompany Transactions, in each case, excluding any amount of Taxes included as a liability in Closing Net Working Capital.

(B) Linden shall be responsible for, pay and indemnify the Buyer Indemnified Parties from (i) all Taxes of the Linden Blocker for all Pre-Closing Tax Periods, (ii) all Taxes of any Person imposed on the Linden Blocker for a Pre-Closing Tax Period as a result being a member of an affiliated, consolidated, combined, or unitary group of which the Linden Blocker (or any predecessor) is or was a member on or prior to the Closing Date, (iii) all Taxes of any Person (other than the Linden Blocker) imposed on the Linden Blocker as a transferee or successor, by contract (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter) or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing, or (iv) Taxes of the Linden Blocker resulting from the Blocker Pre-Closing Distribution, Texas Blocker Redemption or the Pre-Closing Intercompany Transactions, in each case, excluding any amount of Taxes included as a liability in Closing Net Working Capital.

(C) HEP shall be responsible for, pay and indemnify the Buyer Indemnified Parties from (i) all Taxes of the HEP Blocker for all Pre-Closing Tax Periods, (ii) all Taxes of any Person imposed on the HEP Blocker for a Pre-Closing Tax Period as a result being a member of an affiliated, consolidated, combined, or unitary group of which

the HEP Blocker (or any predecessor) is or was a member on or prior to the Closing Date, (iii) all Taxes of any Person (other than the HEP Blocker) imposed on the HEP Blocker as a transferee or successor, by contract (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter) or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing, or (iv) Taxes of the HEP Blocker resulting from the Blocker Pre-Closing Distribution, Texas Blocker Redemption or the Pre-Closing Intercompany Transactions, in each case, excluding any amount of Taxes included as a liability in Closing Net Working Capital.

(D) Siguler Blocker shall be responsible for, pay and indemnify the Buyer Indemnified Parties from (i) all Taxes of the Siguler Blocker for all Pre-Closing Tax Periods, (ii) all Taxes of any Person imposed on the Siguler Blocker for a Pre-Closing Tax Period as a result being a member of an affiliated, consolidated, combined, or unitary group of which the Siguler Blocker (or any predecessor) is or was a member on or prior to the Closing Date, (iii) all Taxes of any Person (other than the Siguler Blocker) imposed on the Siguler Blocker as a transferee or successor, by contract (other than (a) any customary agreements with customers, vendors, lenders, lessors or the like entered into in the ordinary course of business, (b) property Taxes payable with respect to properties leased, and (c) other agreements for which Taxes is not the principal subject matter) or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing, or (iv) Taxes of the Siguler Blocker resulting from the Blocker Pre-Closing Distribution, Texas Blocker Redemption or the Pre-Closing Intercompany Transactions, in each case, excluding any amount of Taxes included as a liability in Closing Net Working Capital.

(x) Tax Refunds. Except to the extent (i) any Tax refund is reflected as an asset in the Closing Net Working Capital or (ii) such Tax refund relates to a carryback of any Tax attribute from any taxable period (or portion thereof) beginning after the Closing Date, the Representative (on behalf of the Sellers) shall be entitled to (A) any Tax refunds that are actually received by the Buyer or the Company, any Subsidiary of the Company, or any Blocker (including any Tax refunds attributable to the carryback of items under Section 11G), and (B) any amounts credited against Tax to which the Buyer or the Company, any Subsidiary of the Company, or any Blocker become entitled in a Tax period ending after the Closing Date, in each case, that relate to a Pre-Closing Tax Period of the Company, any Subsidiary of the Company or any Blocker. The Buyer shall pay over to the Representative (on behalf of the Sellers) any such refund within twenty (20) days after the actual receipt of such Tax refund or within twenty (20) days of filing of the Tax Return reflecting such credit. Buyer and Sellers shall request a refund (rather than a credit against future Taxes) with respect to all Pre-Closing Tax Periods if permitted by applicable Law. To the extent that Buyer has paid a Tax refund to the Representative, and all or a portion of such Tax refund has subsequently been determined to be due and owing to a Governmental Entity, without duplication for any indemnification payments by any Seller hereunder related to such Tax refund, the Sellers shall return to Buyer such amounts of such Tax refund which have been determined to be due and owing to such Governmental Entity.

(xi) Carrybacks. In connection with the preparation of Tax Returns under Section 11G, the Buyer and the Sellers agree that the Company, any Subsidiary of the Company, and any Blocker shall elect to carry back any item of loss, deduction or credit from the tax period ending on the Closing Date, including any Transaction Tax Deductions deductible in such Tax

period, to prior taxable years to the fullest extent permitted by applicable Tax law (using any permissible short-form or accelerated procedures (including filing IRS Form 1139 and any corresponding form for applicable state, local and foreign tax purposes) and filing amended Tax Returns to the extent necessary) and obtain any potential Tax refunds or claims related thereto. Sellers shall be responsible for all costs and expenses with respect to preparing any Tax Returns to utilize carry backs to obtain any Tax refund or claims.

(xii) Transaction Tax Deductions. In connection with the preparation of Tax Returns under Section 11G, any Transaction Tax Deductions, to the extent "more likely than not" deductible under applicable Tax law for the Pre-Closing Tax Period, shall be treated as properly allocable to the Tax period ending on the Closing Date and such Tax Returns shall include such applicable Transaction Tax Deductions as deductions in the Tax Returns of the Company, any Subsidiary of the Company, or any Blocker, as applicable, for the Pre-Closing Tax Period that ends on the Closing Date. After the Closing, the Representative shall cause the Company, any Subsidiary of the Company, and the Blockers to make a timely election to apply Rev. Proc. 2011-29 with respect to any success based fees within the scope of such Rev. Proc. paid by or on behalf of the Sellers, the Company, any Subsidiary of the Company, or any Blocker. Sellers shall be responsible for all costs and expenses with respect to making such election. Without limiting the generality of the foregoing, in connection with preparing the Tax Returns described in Section 11G, within sixty (60) days after Closing, in consultation with its tax counsel, Representative shall provide written notice (including any supporting work papers, schedules, memoranda or documents) to the Buyer with respect to its view (consistent with the "more likely than not" standard set forth in this Section 11G(xii) as to (A) the amount of the Transaction Tax Deductions that are "more likely than not" deductible, (B) the amount and description of any deduction that would be a Transaction Tax Deduction if it were "more likely than not" deductible but that does not meet that standard and (C) the taxable period in which the various Transaction Tax Deductions that are "more likely than not" deductible would be deductible) (collectively, the "Deduction Statement"). If Buyer has any objections to the Deduction Statement, it shall inform the Representative, in writing, within sixty (60) days after receiving the Deduction Statement. Representative and Buyer shall negotiate in good faith to resolve such dispute and the Deduction Statement shall be modified accordingly. If the Representative and Buyer do not reach a final resolution within thirty (30) days after delivery of the Deduction Statement, Representative and Buyer shall promptly submit any unresolved items regarding the Deduction Statement to the mutually agreed third-party accountant for resolution (and shall execute any customary engagement letter and agree to any other customary terms and conditions of the engagement) for prompt resolution. The third-party accountant in resolving such dispute shall apply a "more likely than not" standard as to whether a Transaction Tax Deduction is deductible and the appropriate Tax period in which such deduction shall be allocable.

(xiii) Post-Closing Tax Savings. Buyer shall pay to the Representative (on behalf of the Sellers) the amount of any reduction in Tax payments that would otherwise be made in any Tax period (or portion thereof) beginning after the Closing Date by Buyer, the Company, any Subsidiary of the Company, any Blocker or any of their Affiliates that are attributable to any Transaction Tax Deductions (or any amounts accrued as a liability in Net Working Capital as finally determined pursuant to this Agreement) properly deductible in a taxable period (or portion thereof) beginning after the Closing Date, in each case, calculated by comparing the Taxes that would have been actually payable without any such deductions and the Taxes actually payable taking into account such deductions. Buyer shall pay over to the Representative (on behalf of the Sellers) any such reduction in Taxes (as finally determined) within twenty (20) days after the filing of the Tax Return related to such reduction. For the avoidance of doubt, (A) the Sellers shall not be entitled to receive and Buyer shall not have to pay to the Sellers the amount of any

reduction in Tax payments or other Tax benefit that is attributable to any net operating or capital loss or credit carryovers of the Company, any Subsidiary of the Company, or any Blocker from any Pre-Closing Tax Period that are utilized in a taxable period beginning after the Closing Date and (B) for all purposes under this Agreement, Transaction Tax Deductions shall not be treated as including any step-up in tax basis solely by reason of the Company making an election under Code Section 754 as stipulated in Section 11G(v) of this Agreement.

(xiv) Tax Return Delivery. Upon the written request of the Representative, the Buyer shall deliver to the Representative copies of any filed Tax Returns of the Company, any Subsidiary of the Company, and any Blocker relating to the Tax periods (or portions thereof) ending on or prior to the Closing prepared in accordance with 11G.

11H. Insurance Matters.

(i) Buyer shall not, and shall not permit the Company to, amend, repeal or modify any provision in the Company's certificate of formation or limited liability company agreement relating to the exculpation or indemnification of former officers and managers of the Company as in effect immediately prior to the Closing, it being the intent of the parties that the officers and managers of the Company prior to the Closing shall continue to be entitled to such exculpation and indemnification to the fullest extent permitted under applicable law.

(ii) The Company will purchase, prior to or concurrent with the Closing (if concurrent with the Closing, as part of the Company Expenses), prepaid liability insurance policies (i.e., "tail coverage" or "nose coverage") that will remain in effect for a period of six (6) years after the Closing Date (the "Run-Off Insurance Policy"), the material terms of which, including type, coverage and amount, are substantially similar to the insurance policies maintained by the Company immediately prior to the Closing Date.

(iii) Notwithstanding anything contained in this Agreement to the contrary, this Section 11H shall survive the consummation of the Closing indefinitely. In the event that Buyer or any of its Subsidiaries or any of their respective successors or assigns (a) consolidates with or merges into any other Person, or (b) transfers all or substantially all of its properties or assets to any Person, then, and in each case, Buyer shall cause the successors and assigns of Buyer or its Subsidiary(ies), as the case may be, to expressly assume and be bound by the obligations set forth in this Section 11H as a condition to any such transaction.

11I. Designation and Replacement of Representative. The parties have agreed that it is desirable to designate the Representative to act on behalf of the Sellers for certain limited purposes, as specified herein. The parties have designated Holdings as the initial Representative, and execution of this Agreement by the Sellers shall, to the maximum extent permitted under applicable law, constitute irrevocable ratification and approval of such designation by the Sellers and authorization of the Representative to serve in such capacity (including to settle any and all disputes with Buyer under this Agreement and the Escrow Agreements), and shall also constitute a reaffirmation, approval, acceptance and adoption of, and an agreement to comply with and perform, all of the acknowledgments and agreements made by the Representative on behalf of the Sellers in this Agreement and the other documents delivered in connection herewith (including the Escrow Agreements). The Representative may resign at any time and the Representative may be removed only by the vote of Persons which collectively owned more than 50% of the Units as of immediately prior to the Closing (the "Majority Holders"). The designation of the Representative is coupled with an interest, and, except as set forth in the immediately preceding sentence, such designation is irrevocable and shall not be

affected by the death, incapacity, illness, bankruptcy, dissolution or other inability to act of any of the Sellers. In the event that the Representative has resigned or been removed, a new Representative shall be appointed by a vote of the Majority Holders, such appointment to become effective upon the written acceptance thereof by the new Representative. Written notice of any such resignation, removal or appointment of a Representative shall be delivered by the Representative to Buyer promptly after such action is taken.

11J. Authority and Rights of Representative; Limitations on Liability. The Representative shall have such powers and authority as are necessary or appropriate to carry out the functions assigned to it under this Agreement and in any other document delivered in connection herewith (including the Escrow Agreements); provided, however, that the Representative will have no obligation to act on behalf of the Sellers. The Company, Buyer and the Escrow Agent shall be entitled to rely on the actions taken by the Representative without independent inquiry into the capacity of the Representative to so act. All actions, notices, communications and determinations by the Representative to carry out such functions shall conclusively be deemed to have been authorized by, and shall be binding upon, the Sellers. Neither the Representative nor any of its officers, directors, managers, employees, agents or representatives shall have any liability to the Sellers or the Company with respect to actions taken or omitted to be taken by the Representative in such capacity (or any of its officers, directors, managers, employees, agents or representatives in connection therewith), except with respect to the Representative's gross negligence or willful misconduct. The Representative will at all times be entitled to rely on any directions received from the Majority Holders; provided, however, that the Representative shall not be required to follow any such direction, and shall be under no obligation to take any action in its capacity as Representative based upon any such direction. The Representative shall be entitled to engage such counsel, experts and other agents and consultants as it shall deem necessary in connection with exercising its powers and performing its function hereunder and (in the absence of bad faith on the part of the Representative) shall be entitled to conclusively rely on the opinions and advice of such Persons. The Representative (for itself and its officers, directors, managers, employees, agents and representatives) shall be entitled to full reimbursement for all reasonable expenses, disbursements and advances (including fees and disbursements of its counsel, experts and other agents and consultants) incurred by the Representative in such capacity (or any of its officers, directors, managers, employees, agents or representatives in connection therewith), and to full indemnification against any loss, liability or expenses arising out of actions taken or omitted to be taken in its capacity as Representative (except for those arising out of the Representative's gross negligence or willful misconduct), including the costs and expenses of investigation and defense of claims, from the Sellers (including from funds paid to the Representative under this Agreement and/or otherwise received by it in its capacity as Representative, or funds to be distributed to the Sellers under this Agreement at its direction, pursuant to or in connection with this Agreement (including under the Escrow Agreements)). In furtherance of the foregoing, notwithstanding anything in this Agreement to the contrary, the Representative shall have the power and authority to set aside and retain additional funds paid to or received by it, or direct payment of additional funds to be paid to the Sellers, as Purchase Price pursuant to this Agreement at Closing or thereafter, to satisfy such obligations (including to establish such reserves as the Representative determines in good faith to be appropriate for such costs and expenses that are not then known or determinable). To the extent that any amount included as Representative Expenses exceeds such expenses, disbursements or advances, the Representative may retain such excess as a fee for the services it provides hereunder. The relationship created herein is not to be construed as a joint venture or any form of partnership between or among the Representative or any Seller for any purpose of U.S. federal or state law, including federal or state income tax purposes. Neither the Representative nor any of its Affiliates owes any fiduciary or other duty to any Seller.

11K. Employee Matters. Buyer shall indemnify and hold harmless the Sellers from any liability under the Worker Adjustment and Retraining Notification Act of 1988, 29 U.S.C. § 2101, et seq., as amended, or any similar foreign, state or local law, regulation or ordinance (collectively, "WARN") that is triggered by any termination of employees by Buyer or the Company following the Closing. Buyer shall cause the Company to comply with any and all applicable notice or filing requirements under WARN. Buyer shall be solely responsible for complying with the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code for any individual who is an "M&A qualified beneficiary" as defined in Q&A 4 of Treas. Reg. §54.4980B-9 in connection with the transactions contemplated by this Agreement. Immediately prior to the Closing, the Company (but not the Subsidiaries) shall terminate the employment of its employees set forth on Section 11K of the Company Disclosure Letter (the "Terminated Employees"). All employees of the Company and its Subsidiaries who are not Terminated Employees shall be referred to herein as the "Continuing Employees". During the six-month period following the Closing Date, with respect to the Continuing Employees who satisfy Buyer's screening requirements (including but not limited to background checks), Buyer shall cause the Company to honor all employment, severance, termination, consulting, retirement and other compensation and benefit plans, arrangements and agreements to which the Company is a party, as such plans, arrangements and agreements are in effect on the date hereof (it being understood that this Section 11K shall not be deemed to prohibit Buyer or the Company or its Subsidiaries from amending, modifying, replacing or terminating such arrangements in accordance with their terms). Buyer shall take all actions required so that the Continuing Employees who are so eligible shall receive service credit for purposes of determining eligibility, vesting, and future vacation or paid-time-off accrual and for purposes of determining severance amounts under employee benefit plans and arrangements of the Buyer, the Company or their Subsidiaries or Affiliates in which they participate following the Closing Date (to the extent such service credit would be given under such current Employee Benefit Plans). To the extent that Buyer modifies any coverage or benefit plans under which the Continuing Employees participate, Buyer shall waive (if permitted by applicable law) any applicable waiting periods, or actively-at-work requirements and shall give such Continuing Employees credit under the new coverages or benefit plans for continuous coverage for pre-existing conditions, deductibles, co-insurance and out-of-pocket payments attributable to such Continuing Employees in which such coverage or plan modification occurs. This Section 11K shall survive the Closing, and shall be binding on all successors and assigns of Buyer and the Company.

11L. Representation of the Seller Group. Each of the parties to this Agreement hereby agrees, on its own behalf and on behalf of its directors, managers, members, partners, officers, employees and Affiliates, that Kirkland & Ellis LLP may serve as counsel to each and any of the Representative, the Sellers and their respective Affiliates (individually and collectively, the "Seller Group"), on the one hand, and the Company, on the other hand, in connection with the negotiation, preparation, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and that, following consummation of the transactions contemplated hereby, Kirkland & Ellis LLP (or any successor) may serve as counsel to the Seller Group or any director, manager, member, partner, officer, employee or Affiliate of the Seller Group, in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement notwithstanding such representation or any continued representation of the Company, and each of the parties hereto hereby consents thereto and waives any conflict of interest arising therefrom, and each of such parties shall cause any Affiliate thereof to consent to waive any conflict of interest arising from such representation. Each of the parties to this Agreement further agrees to permit (and shall take reasonable steps requested by any party at such requesting party's expense so that) any privilege attaching as a result of Kirkland & Ellis LLP's services as counsel to the Company in connection with the transaction contemplated by this Agreement to survive the Closing and to remain in effect; provided that such attorney-client privilege from and after the Closing will be controlled by the Representative. In addition, if the transactions contemplated by this Agreement are consummated, all of

Kirkland & Ellis LLP's records related to such transaction will become property of (and be controlled by) the Representative, and neither Buyer nor the Company shall retain any copies of such records or have any access to them.

11M. Expenses; Transfer Taxes. If this Agreement is terminated prior to consummation of the Closing, each party shall pay all fees and expenses incurred by such party in connection with this Agreement and the transactions contemplated hereby or otherwise required by applicable law. If the Closing occurs, Buyer shall pay, or cause to be paid, all fees and expenses incurred by Buyer and its Affiliates in connection with this Agreement and the transactions contemplated hereby or otherwise required by applicable law, any and all Company Expenses and Representative Expenses (out of the Base Purchase Price in accordance with Article 1), and all transfer, documentary, sales, use, stamp, registration and other such transfer Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with consummation of the transactions contemplated by this Agreement.

11N. Distributions from the Escrow Agreements. Distributions of Indemnity Escrow Funds from the Indemnity Escrow Account shall be made pursuant to the applicable provisions of the Indemnity Escrow Agreement and distributions of Adjustment Escrow Funds from the Adjustment Escrow Account shall be made pursuant to the applicable provisions of the Adjustment Escrow Agreement. Any amount distributable to the Sellers in accordance with this Section 11N shall be released or disbursed to, or as directed by, the Representative, with such amounts, subject to Section 11J hereof, being distributable as a portion of the Additional Purchase Price.

11O. Certain Access Provisions.

(i) For a period of seven (7) years after the Closing Date, Buyer shall preserve and retain, or cause the Company to preserve and retain, all corporate, accounting, Tax, legal, auditing or other books and records of the Company relating to the conduct of the business and operations of the Company prior to the Closing Date.

(ii) After the Closing Date, Buyer shall cause the Company to permit the Representative to have reasonable access to, and to inspect and copy, all materials referred to in this Section 11O and to meet with officers and employees of Buyer and the Company on a mutually convenient basis in order to obtain explanations with respect to such materials and to obtain additional information and to call such officers and employees as witnesses.

11P. Post-Closing Payments. Buyer shall promptly forward, or shall cause the Company and the Company's Subsidiaries to forward, to the Representative any and all proceeds or payments made to the Company or any of the Company's Subsidiaries following the Closing Date in connection with that certain indemnification claim made by the Company pursuant to that certain Unit Purchase and Contribution Agreement, dated as of July 10, 2007, by and among Behavior Centers of America Holdings, LLC, the Company, and the other signatories thereto, in connection with disproportionate share payments received by HMIH Cedar Crest, LLC for state fiscal years 2005-2007. If that certain statutory eminent domain proceeding, *The State of Texas v. HMIH Cedar Crest, LLC, Cause No. 67,8333, County Court at Law No. 3, Bell County, Texas*, in which the State of Texas has acquired approximately 1.854 acres from Cedar Crest, LLC (the "Eminent Domain Claim") is not finally determined, settled, or compromised with the State of Texas prior to the Closing Date, then upon the Company's settlement or

compromise or the final determination of such Eminent Domain Claim (each a "Final Resolution"), then Buyer shall promptly forward, or shall cause the Company and the Company's Subsidiaries to forward, to the Representative an aggregate amount of cash equal to the following: (x) any and all proceeds or payments made to the Company or any of the Company's Subsidiaries in connection with or pursuant to such Final Resolution, minus (y) all out-of-pocket costs and expenses incurred by the Company or its Subsidiaries in connection with the pursuit of such Final Resolution following the Closing Date. The Sellers shall pay all costs and expenses reasonably required to be incurred by the Company or its Subsidiaries as a result of the Company's or its Subsidiaries performance of any procedures, actions or other measures required by the State of Texas as expressly set forth in the Final Resolution (which such amount may be deducted from the payment from Buyer to the Sellers pursuant hereto). In furtherance of the foregoing, if a Final Resolution has not occurred by the Closing Date, then the Representative will assume, at its sole cost and expense, the Eminent Domain Claim and have the right to settle, compromise, resolve and enter into the Final Resolution, subject in all cases to the provisions contained in this Section 11P. Buyer shall cause the Company and its Subsidiaries to reasonably cooperate with the Representative in connection with the completion of the Final Resolution. Any payments described in this Section 11P made to the Representative shall be by wire transfer in immediately available funds to an account or accounts designated by the Representative and will be distributable as a portion of the Additional Purchase Price as provided in Section 1D(y).

ARTICLE 12
MISCELLANEOUS

12A. Amendment and Waiver. This Agreement may be amended or any provision of this Agreement may be waived; provided that any amendment or waiver shall be binding only if such amendment or waiver is set forth in a writing executed by the Representative and the party against whom enforcement is sought. Any amendments or waivers under this Agreement following the Closing shall require the prior written consent of the Representative. No course of dealing between or among any Persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

12B. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) if personally delivered, on the date of delivery, (ii) if delivered by express courier service of national standing (with charges prepaid), on the Business Day following the date of delivery to such courier service, (iii) if deposited in the United States mail, first-class postage prepaid, on the fifth Business Day following the date of such deposit, (iv) if delivered by telecopy, provided the relevant transmission report indicates a full and successful transmission, (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission, or (v) if delivered by Internet mail, provided the relevant computer record indicates a full and successful transmission (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission. Notices, demands and communications to the Company, the Sellers, the Representative or Buyer shall, unless another address is specified in writing pursuant to the provisions hereof, be sent to the address indicated below:

Notices to the Company (prior to Closing):

Behavioral Centers of America, LLC
3100 West End Avenue, Suite 1000
Nashville, Tennessee 37203
Attention: Buddy Turner
Telecopy: (615) 463-3203
Email: bturner@bca-corp.com

with a copy to:

Linden Manager LP
111 South Wacker Drive, Suite 3350
Chicago, Illinois 60606
Attention: Anthony Davis
Michael Watts
Telecopy: (312) 506-5601
Email: tdavis@lindenllc.com
mwatts@lindenllc.com

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attention: Ted H. Zook, P.C.
Robert A. Wilson
Telecopy: (312) 862-2200
Email: ted.zook@kirkland.com
robert.wilson@kirkland.com

Notices to the Sellers or the Representative:

c/o Linden Manager LP
111 South Wacker Drive, Suite 3350
Chicago, Illinois 60606
Attention: Anthony B. Davis
Michael Watts
Telecopy: (312) 506-5601
Email: tdavis@lindenllc.com
mwatts@lindenllc.com

with a copy to:

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attention: Ted H. Zook, P.C.
Robert A. Wilson
Telecopy: (312) 862-2200
Email: ted.zook@kirkland.com
robert.wilson@kirkland.com

Notices to HEP:

c/o Health Enterprise Partners, L.P.
565 Fifth Avenue, 26th Floor
New York, New York 10017
Telecopy: (212) 869-6418
rstowe@hepfund.com

Notices to Siguler:

Siguler Guff & Company, LP
One Boston Place, 17th Floor
Boston, MA 02108
Attention: Jason Mundt
Telecopy: (617) 648-2121
Email: SBOF@sigulerguff.com

Notices to Buyer and the Company (following the Closing):

Acadia Healthcare Company, Inc.
830 Crescent Centre Drive, Suite 610
Franklin, TN 37067
Attn: General Counsel
Telecopy: (615) 261-9685
Email: choward@acadiahealthcare.com

with a copy to:

Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, TN 37219
Attn: Matthew R. Burnstein
Telecopy: (615) 244-6804
Email: matt.burnstein@wallerlaw.com

12C. Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned (including by operation of law)

without the prior written consent of (i) prior to the Closing, the Representative, the Company and Buyer and (ii) from and after the Closing, Buyer and the Representative; provided, however, that Buyer may collaterally assign, without the prior written consent of any other party hereto, its rights hereunder to its financial lender and may assign, without the prior written consent of any other party hereto (whereupon Buyer shall provide written notice thereof to the Sellers, the Company and the Representative), any of its rights, benefits or obligations under this Agreement to an Affiliate; provided, however, that no such assignment shall relieve Buyer of its obligations under this Agreement; provided, further, that, in the case of an assignment by Buyer to an Affiliate, such assignment shall not be effective vis-à-vis the other parties to this Agreement unless such Affiliate agrees in writing to assume the obligations of Buyer under this Agreement on a joint and several basis with Buyer.

12D. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

12E. No Strict Construction. Notwithstanding the fact that this Agreement has been drafted or prepared by one of the parties, each of Buyer, the Sellers, the Company and the Representative confirm that they and their respective counsel have reviewed, negotiated and adopted this Agreement as the joint agreement and understanding of the parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person.

12F. Captions. The captions used in this Agreement and descriptions of the Company Disclosure Letter are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no caption or description of the Company Disclosure Letter had been used in this Agreement.

12G. Complete Agreement. This Agreement, together with the Confidentiality Agreement, the Escrow Agreements and any other agreements referred to herein or therein executed and delivered on or after the date hereof, contain the complete agreement among the parties hereto and supersede any prior understandings, agreements or representations by or between such parties, written or oral, which may have related to the subject matter hereof in any way.

12H. Company Disclosure Letter. The Company Disclosure Letter is incorporated herein and shall be arranged in sections corresponding to the sections contained in Articles IV, V and VI of this Agreement, and any disclosure made in any section of the Company Disclosure Letter shall qualify other sections of the Company Disclosure Letter if it is reasonably apparent on the face of such disclosure that it is applicable to such other sections of Company Disclosure Letter. The inclusion of information in the Company Disclosure

Letter shall not be construed as or constitute an admission or agreement that a violation, right of termination, default, liability or other obligation of any kind exists with respect to any item, except where such information is expressly required to be disclosed, nor shall it be construed as or constitute an admission or agreement that such information is material to the Company, Blockers or any of the Sellers. Neither the specifications of any dollar amount in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the Company Disclosure Letter is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, and no Person shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the parties as to whether any other obligation, item or matter not described herein or included in the Company Disclosure Letter is or is not material for purposes of this Agreement. Prior to the Closing, the Sellers and the Company shall have the right from time to time to supplement, modify or update the Company Disclosure Letter in order to add information relating to or resulting from facts or events occurring subsequent to the execution of this Agreement (a "Schedule Supplement"). In the event that the Company and/or the Representative provide any Schedule Supplement, the matters set forth on such Schedule Supplement shall not be effective to cure and correct for purposes of Article X any breach of any representation, warranty or covenant which would have existed if the Company and/or the Representative had not provided such Schedule Supplement. In the event that prior to the Closing Date the Company and/or the Representative provide to Buyer notification pursuant to the terms of this Section 12H of the failure of any condition in Article 2 as a result of any breach of any representation, warranty or covenant of the Sellers, the Blockers or the Company due to facts or events occurring subsequent to the execution of this Agreement that, but for this Section 12H, would entitle Buyer to not consummate the Closing (a "Termination Update"), Buyer may terminate this Agreement in accordance with Section 12H. If Buyer proceeds to consummate the Closing after receiving a Termination Update, Buyer shall be deemed to have waived any and all rights, remedies or other recourse against the Company or the Sellers to which Buyer might otherwise be entitled in respect of a breach that would be cured by such Termination Update, including any rights or remedies under Article X and such Termination Update shall be effective to cure and correct for all other purposes any such breach of any representation, warranty or covenant which would have existed if the Company and/or the Representative had not provided such Termination Update, and all references to any Schedule hereto which is supplemented or amended as provided in this Section 12H shall for all purposes after the Closing be deemed to be a reference to such Schedule as so supplemented or amended. If Buyer proceeds to consummate the Closing after receiving any Schedule Supplement that is not a Termination Update, Buyer shall be entitled to exercise any rights or remedies pursuant to this Agreement in respect of a breach that would be cured by such Schedule Supplement, including any rights or remedies under Article X, and such Schedule Supplement shall not be effective to cure and correct for any purpose any such breach of any representation, warranty or covenant which would have existed if the Company and/or the Representative had not provided such Schedule Supplement. To the extent any agreements, documents or other items are represented in this Agreement as being provided to Buyer, such agreements, documents or other items shall be considered delivered to Buyer only if they were loaded into the Project Commodore datasite with Intralinks prior to the date hereof.

12I. No Additional Representations; Disclaimer.

(i) Buyer acknowledges and agrees that none of the Sellers, Blockers or the Company nor any of their Affiliates or representatives, nor any other Person acting on behalf of the Sellers, Blockers or the Company or any of their respective Affiliates or representatives has made any (and Buyer and its Affiliates have not relied on any) representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Blockers and the Company or their respective businesses or assets, except as expressly set forth in this Agreement

or as and to the extent required by this Agreement to be set forth in the Company Disclosure Letter. Buyer further agrees that no Seller Party nor any of their respective direct or indirect Affiliates or representatives will have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer, or Buyer's use of, any such information, and any information, document or material made available to Buyer or its Affiliates or representatives in certain "data rooms" and online "data sites," management presentations or any other form in expectation of the transactions contemplated by this Agreement.

(ii) Buyer acknowledges and agrees that except for the representations and warranties of the Sellers, Blockers and the Company expressly set forth in Article 4, Article 5 and Article 6 hereof, the Acquired Securities are being acquired AS IS WITHOUT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR INTENDED USE OR OTHER EXPRESSED OR IMPLIED WARRANTY. Buyer acknowledges and agrees that it is consummating the transactions contemplated by this Agreement without reliance on any representation or warranty, express or implied, by the Company, Blockers, the Representative, the Sellers or any of their respective Affiliates or representatives except for the representations and warranties of the Sellers, Blockers and the Company expressly set forth in Article 4, Article 5 and Article 6 hereof.

(iii) In connection with Buyer's investigation of the Company, Buyer has received from or on behalf of the Company certain projections, including projected statements of operating revenues and income from operations of the Company and certain business plan information of the Company. Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and that Buyer shall have no claim against any Seller Party or any other Person with respect thereto. Accordingly, the Company makes no representations or warranties whatsoever with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and Buyer has not relied thereon.

12J. Counterparts. This Agreement may be executed in multiple counterparts (including by means of telecopied or electronically transmitted signature pages), all of which taken together shall constitute one and the same Agreement.

12K. Governing Law. The internal law (and not the law of conflicts) of the State of Delaware shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

12L. CONSENT TO JURISDICTION. SUBJECT TO THE PROVISIONS OF SECTION 1D (WHICH SHALL GOVERN ANY DISPUTE ARISING THEREUNDER) AND SECTION 12N (WHICH SHALL GOVERN ANY DISPUTE NOT SEEKING INJUNCTIVE RELIEF), THE PARTIES AGREE THAT JURISDICTION AND VENUE IN ANY SUIT, ACTION OR PROCEEDING BROUGHT BY ANY PARTY SEEKING INJUNCTIVE RELIEF PURSUANT TO THIS AGREEMENT SHALL PROPERLY AND EXCLUSIVELY LIE IN ANY FEDERAL OR STATE COURT LOCATED IN CHICAGO, ILLINOIS. EACH PARTY ALSO AGREES NOT TO BRING ANY SUIT, ACTION OR PROCEEDING SEEKING

INJUNCTIVE RELIEF ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY OTHER COURT (OTHER THAN UPON THE APPEAL OF ANY JUDGMENT, DECISION OR ACTION OF ANY SUCH COURT LOCATED IN CHICAGO, ILLINOIS). BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING. THE PARTIES IRREVOCABLY AGREE THAT VENUE WOULD BE PROPER IN SUCH COURT, AND HEREBY WAIVE ANY OBJECTION THAT ANY SUCH COURT IS AN IMPROPER OR INCONVENIENT FORUM FOR THE RESOLUTION OF SUCH SUIT, ACTION OR PROCEEDING. THE PARTIES FURTHER AGREE THAT THE MAILING BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED, OF ANY PROCESS REQUIRED BY ANY SUCH COURT SHALL CONSTITUTE VALID AND LAWFUL SERVICE OF PROCESS AGAINST THEM, WITHOUT NECESSITY FOR SERVICE BY ANY OTHER MEANS PROVIDED BY STATUTE OR RULE OF COURT.

12M. WAIVER OF JURY TRIAL. THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

12N. Arbitration. Except for disputes, controversies, or claims arising under Section 1D (which shall be resolved in accordance with the dispute resolution provisions set forth therein) and for other claims seeking injunctive relief (for which the provisions of Section 12L and Section 12M shall be applicable), any dispute, controversy, or claim arising under or relating to this Agreement or the Escrow Agreements or any breach or alleged breach thereof ("Arbitrable Dispute") shall be resolved by final and binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, subject to (and as modified by) the following:

(i) Any Indemnified Party or Indemnifying Party may demand that any Arbitrable Dispute be submitted to binding arbitration. The demand for arbitration shall be in writing, shall be served on the Indemnifying Party (or, in the case that Buyer is the Indemnified Party, on the Representative) or Indemnified Party in the manner prescribed herein for the giving of notices, and shall set forth a short statement of the factual basis for the claim, specifying the matter or matters to be arbitrated.

(ii) The arbitration shall be conducted by a panel of three (3) arbitrators, one (1) selected by Buyer, one (1) selected by the Representative and one (1) selected jointly by the

arbitrators selected by Buyer and the Representative (collectively, the "Arbitrators"). Any arbitration pursuant hereto shall be conducted by the Arbitrators under the guidance of the Federal Rules of Civil Procedure and the Federal Rules of Evidence, but the Arbitrators shall not be required to comply strictly with such Rules in conducting any such arbitration. All such arbitration proceedings shall take place in Chicago, Illinois.

(iii) Except as provided herein (including pursuant to Article 10 to the extent such items constitute Losses): (a) each of the Indemnified Party and the Indemnifying Party shall bear its own costs and expenses, (b) the fees and expenses of the Arbitrators and all other costs and expenses incurred in connection with the arbitration ("Arbitration Expenses") shall be borne by the non-prevailing party in the arbitration, as determined by the Arbitrators, and (c) notwithstanding the foregoing, the Arbitrators shall be empowered to require any one or more of the parties to the arbitration to bear all or any portion of such Costs and Fees and/or the fees and expenses of the Arbitrators in the event that the Arbitrators determine such party has acted unreasonably or in bad faith.

(iv) Unless the parties to such arbitration otherwise agree in writing, the arbitration shall be conducted on an expedited basis, testimony and briefing will be concluded no later than 120 days after the arbitration is initiated, each party shall be entitled to take at least one deposition, the award shall be made in writing no more than 30 days following the end of the proceeding, and all facts and circumstances relating to such arbitration, including the existence of the dispute and the ultimate resolution, shall be kept confidential in accordance with a confidentiality agreement containing customary terms to be agreed to by the parties to such arbitration.

(v) The Arbitrators shall have the authority to award any remedy or relief that a Court of the State of Illinois could order or grant, including specific performance of any obligation created under this Agreement and/or the Escrow Agreements, the awarding of Losses, the issuance of an injunction, or the imposition of sanctions for abuse or frustration of the arbitration process. The Arbitrators shall render their decision and award upon the concurrence of at least two (2) of their number. Such decision and award shall be in writing and counterpart copies thereof shall be delivered to each of the Indemnified Party and the Indemnifying Party (or, in the case that Buyer is the Indemnified Party, to the Representative). The decision and award of the Arbitrators shall be final and binding. In rendering such decision and award, the Arbitrators shall not add to, subtract from or otherwise modify the provisions of this Agreement and/or the Escrow Agreements and shall make its determinations in accordance therewith and shall in no event award Losses in excess of any applicable limit on indemnification set forth in this Agreement or against any Person in contravention of the provisions of this Agreement. Any party to the arbitration may, notwithstanding anything to the contrary set forth in Section 12L, seek to have judgment upon the award rendered by the Arbitrators entered in any court having jurisdiction thereof.

(vi) No Indemnified Party shall file any suit, motion, petition or otherwise commence any legal action or proceeding for any matter which is required to be submitted to arbitration as contemplated herein except in connection with the enforcement of an award rendered by the Arbitrators. Upon the entry of an order dismissing or staying any action or proceeding filed contrary to the preceding sentence, the Person which filed such action or proceeding shall promptly pay to the other Person the reasonable attorney's fees, costs and expenses incurred by such other Person prior to the entry of such order.

(vii) The parties agree that it is their intention that all Arbitrable Disputes be governed by this Section 12N and agree to cause any of their Affiliates to observe the provisions of this Section 12N.

12O. Payments under Agreement. Each party agrees that all amounts required to be paid hereunder shall be paid in United States currency and, except as otherwise expressly set forth in this Agreement, without discount, rebate or reduction and subject to no counterclaim or offset, on the dates specified herein (with time being of the essence).

12P. Third-Party Beneficiaries and Obligations. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties hereto or their respective successors and permitted assigns, any rights, remedies or liabilities under or by reason of this Agreement, other than sections which are specifically for the benefit of Persons to which Company Expenses and Representative Expenses are owed (including Section 1C, Section 11I, Section 11J, Section 11L and this Section 12P), each of which is intended to be for the benefit of the Persons covered thereby or to be paid thereunder and may be enforced by such Persons.

12Q. Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by Buyer, the Sellers, Blockers or the Company, as applicable, in accordance with their specific terms or were otherwise breached by Buyer, the Sellers, Blockers or the Company, as applicable. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement by any of Buyer, the Sellers, Blockers or the Company, as applicable, and to enforce specifically the terms and provisions hereof against Buyer, the Sellers, Blockers or the Company, as applicable, in any court having jurisdiction, this being in addition to any other remedy to which the parties hereto are entitled at law or in equity.

12R. Prevailing Party. In the event any litigation or other court action, arbitration or similar adjudicatory proceeding (a "Proceeding") is commenced or threatened by any party hereto to enforce its rights under this Agreement against any other party, if a prevailing party is determined in such Proceeding, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, incurred by such prevailing party in such Proceeding shall be reimbursed by the non-prevailing party; provided, that if a party prevails in part, and loses in part, in such Proceeding, the court, arbitrator or other adjudicator presiding over such Proceeding shall award a reimbursement of the fees, costs and expenses incurred by the parties on an equitable basis.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Acquisition Agreement as of the date first written above.

BEHAVIORAL CENTERS OF AMERICA, LLC

By: /s/ John Turner
Name: John Turner
Title: President

BEHAVIORAL CENTERS OF AMERICA HOLDINGS, LLC

By: /s/ John Turner
Name: John Turner
Title: President

LINDEN BCA BLOCKER CORP.

By: /s/ Anthony Davis
Name: Anthony Davis
Title: President

HEP BCA HOLDINGS CORP.

By: /s/ Richard H. Stowe
Name: Richard H. Stowe
Title: President

SBOF-BCA HOLDINGS CORPORATION

By: /s/ Terri Liftin
Name: Terri Liftin
Title: Authorized Signatory

LINDEN CAPITAL PARTNERS-A LP, in its capacity as a Seller and as the Representative

By: Linden Manager LP
Its: General Partner

By: Linden Capital LLC
Its: General Partner

By: /s/ Anthony Davis
Name: Anthony Davis
Title: Authorized Signatory

HEALTH ENTERPRISE PARTNERS, L.P.

By: /s/ Robert B. Schulz
Name: Robert B. Schulz
Title: Managing Member

HEP BCA CO-INVESTORS, LLC

By: /s/ Robert B. Schulz
Name: Robert B. Schulz
Title: Managing Member

SIGULER GUFF SMALL BUYOUT OPPORTUNITIES FUND, LP

By: Siguler Guff SBOF GP, LLC
Its: General Partner

By: /s/ Terri Liftin
Name: Terri Liftin
Title: Authorized Signatory

SIGULER GUFF SMALL BUYOUT OPPORTUNITIES FUND (F), LP

By: Siguler Guff SBOF GP, LLC
Its: General Partner

By: /s/ Terri Liftin
Name: Terri Liftin
Title: Authorized Signatory

COMMODORE ACQUISITION SUB, LLC

By: /s/ Christopher L. Howard
Name: Christopher L. Howard
Title: Executive Vice President and General Counsel

ACADIA HEALTHCARE COMPANY, INC.

By: /s/ Christopher L. Howard
Name: Christopher L. Howard
Title: Executive Vice President and General Counsel

[Signature Page to Acquisition Agreement]

"AAA" shall have the meaning set forth in Section 12N.

"Acquired Securities" shall have the meaning set forth in the recitals.

"Acquired Shares" shall have the meaning set forth in the recitals.

"Acquired Units" shall have the meaning set forth in the recitals.

"Additional Purchase Price" means, as of any date of determination, the sum of (i) the portion of (a) the Indemnity Escrow Funds paid or payable to the Sellers and (b) the Adjustment Escrow Funds paid or payable to the Sellers, plus (ii) any Shortfall Amount paid or payable to the Sellers, plus (iii) any amounts paid or payable to the Sellers pursuant to Section 11P.

"Adjustment Calculation Time" means 11:59 p.m. (Nashville, Tennessee time) on the day immediately prior to the Closing Date.

"Adjustment Escrow Account" shall have the meaning set forth in Section 1C(ii).

"Adjustment Escrow Agreement" shall have the meaning set forth in Section 1C(ii).

"Adjustment Escrow Amount" shall mean the Adjustment Escrow Deposit Amount, less any distributions thereof in accordance with this Agreement and the Adjustment Escrow Agreement.

"Adjustment Escrow Deposit Amount" means $750,000.

"Adjustment Escrow Funds" shall mean the amounts held in the Adjustment Escrow Account, including any dividends, interest, distributions and other income received in respect thereof, less any losses on investments thereof, less distribution thereof in accordance with this Agreement and the Adjustment Escrow Agreement.

"Adjustment Escrow Shortfall" shall have the meaning set forth in Section 1D(iv).

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the party specified.

"Agreement" shall have the meaning set forth in the preamble.

"Alternative Arrangements" shall have the meaning set forth in Section 10F(i).

"Arbiter" shall have the meaning set forth in Section 1D(ii).

"Arbitrable Dispute" shall have the meaning set forth in Section 12N.

"Arbitration Expenses" shall have the meaning set forth in Section 12N(iii).

"Arbitrators" shall have the meaning set forth in Section 12N(ii).

"Base Purchase Price" means $145,000,000.

"Blockers" shall have the meaning set forth in the preamble.

"Business Day" means any day, other than a Saturday, Sunday, or any other date in which banks located in Chicago, Illinois or Nashville, Tennessee are closed for business as a result of federal, state or local holiday.

"Buyer" shall have the meaning set forth in the preamble.

"Buyer Material Adverse Effect" means a material adverse effect upon the financial condition or operating results of Buyer or on the ability of Buyer to consummate the transactions contemplated hereby.

"Claim Amount" shall have the meaning set forth in Section 11A.

"Closing" shall have the meaning set forth in Section 1B.

"Closing Balance Sheet" shall have the meaning set forth in Section 1D(i).

"Closing Date" shall have the meaning set forth in Section 1B.

"Closing Net Indebtedness" means Net Indebtedness as of the Adjustment Calculation Time; provided that (i) the amounts due and owing pursuant to the Credit Facilities shall be determined as reflected in payoff letters delivered to Buyer, and (ii) the other amounts for the liabilities to be included in the calculation of Net Indebtedness (other than the Representative Expenses, which amount (if any) shall be determined in accordance with the definition thereof) shall be determined as reflected in information provided by the obligee (or agents of the obligee) thereof (whether in the form of invoices or statement balances) or in accordance with the terms of the agreement relating to such liabilities.

"Closing Net Working Capital" means Net Working Capital as of the Adjustment Calculation Time; provided that, notwithstanding anything in this Agreement to the contrary, for purposes of calculating any liability for Taxes included as a current liability in Closing Net Working Capital, all Transaction Tax Deductions shall be treated as occurring on the day prior to the Closing Date; provided further that, in no event shall such amount be greater than $4,997,472.

"Closing Statement" shall have the meaning set forth in Section 1D(i).

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

"Company" shall have the meaning set forth in the preamble.

"Company Disclosure Letter" means the Company Disclosure Letter delivered by the Company to Buyer on the date hereof, as amended, supplemented or restated in accordance with Section 12H of this Agreement.

"Company Expenses" means the aggregate fees and expenses of the Company or any of its Subsidiaries relating to the transactions contemplated hereby, including the aggregate fees and expenses of the Company (A) owed for the Run-Off Insurance Policy, (B) incurred or owed in connection with the termination of its employees as described in Section 11K, including any severance obligations related to any such terminations or the reduction in duties of Dr. Zyama Goldman as a result of the Company's termination of his role as Chief Medical Officer to the extent such reduction results in Dr. Goldman terminating his employment for Good Reason (as defined in that certain Employment Agreement dated July 10, 2007, by and among Dr. Zyama Goldman, the Company and Shaker Clinic, LLC, and (C) owed to (i) Moelis & Company for investment banking services for the Company or its

Subsidiaries, and (ii) Kirkland & Ellis LLP and Bass, Berry & Sims PLC for legal services to the Company or its Subsidiaries, in each case for clauses (i) and (ii) above to the extent unpaid at the time of determination (which, unless otherwise expressly indicated herein, shall be the Closing) and to the extent related to the transactions contemplated hereby; provided that, for the avoidance of doubt, in no event shall "Company Expenses" be deemed to include any fees and expenses to the extent incurred by or at the direction of Buyer or any other liabilities or obligations incurred or arranged by or on behalf of Buyer or its Affiliates in connection with the transactions contemplated hereby.

"Company Intellectual Property" means each of the registered Intellectual Property Rights owned by the Company or any of its Subsidiaries.

"Company Material Adverse Effect" means a material adverse effect upon the financial condition or operating results of the Company or any of its Subsidiaries, except any adverse effect related to or resulting from (i) a change in the general business or economic conditions affecting the industry in which the Company operates, to the extent that such change does not have a materially disproportionate effect on the Company as compared to other Persons operating in such industry, (ii) national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) adverse changes to the financial, banking, or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in GAAP, (v) changes in laws, rules, regulations, orders, or other binding directives issued by any Governmental Entity, to the extent that such change does not have a materially disproportionate effect on the Company as compared to other Persons operating in the Company's industry, (vi) the announcement of this Agreement, the other agreements contemplated hereby or the transactions contemplated hereby or thereby, (vii) any adverse change in or effect on the business of the Company that is cured by or on behalf of the Company before the earlier of the Closing Date and the date on which this Agreement is terminated pursuant to Article 8, (viii) any reduction in applicable reimbursement rates under a Governmental Program, or (ix) any adverse change in or effect on the business of the Company that is caused by any delay in consummating the Closing after the specific date referred to in Section 1B as a result of (A) any violation or breach by Buyer of any covenant, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Company at the Closing, (B) the institution of any suit or action challenging the validity or legality, or seeking to restrain the consummation of, the transactions contemplated by this Agreement by any Governmental Entity or third party or (C) the failure to satisfy the condition to Closing set forth in Section 2A(i) as of the date specified in Section 1B (including as a result of the request for submission of additional information or documentary material regarding the transactions contemplated by this Agreement from the Company or Buyer after review of the initial notification submitted pursuant to the HSR Act or any other applicable antitrust or competition law by the FTC, the DOJ or any other regulatory agency). For the avoidance of doubt and not in limitation of the foregoing, a Governmental Entity determining or proclaiming to the Company that any of the licenses and permits set forth on Section A of the Company Disclosure Letter will be terminated immediately following the Closing as a result of the consummation of the transactions contemplated in this Agreement, or has been terminated, shall constitute a Company Material Adverse Effect.

"Company Material Contracts" shall have the meaning set forth in Section 6I.

"Confidentiality Agreement" shall have the meaning set forth in Section 11C.

"Credit Facilities" means that certain (i) Credit Agreement, dated as of December 15, 2008, by and among Behavioral Centers of America, LLC and Capstar Bank, and each other document or agreement executed in connection therewith, as the same have been and may be amended, modified, supplemented or waived from time to time and (ii) Amended and Restated Term Note, dated as of January 9, 2012, by and between Comerica Bank and BCA Real Estate Holdings, LLC.

"Designated Contact" shall have the meaning set forth in Section 3A.

"Employee Benefit Plan" means each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) and each change in control, deferred compensation, equity-based or other material severance, bonus or other employee benefit plan, program, policy or arrangement that is maintained, sponsored or contributed to by the Company or its Subsidiaries on behalf of employees or with respect to which the Company or its Subsidiaries have any liability, other than as provided pursuant to any employment agreement.

"Entity Licenses" shall have the meaning set forth in Section 6R(ii).

"Environmental Laws" shall have the meaning set forth in Section 6P.

"Environmental Permits" shall have the meaning set forth in Section 6P.

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

"ERISA Affiliate" means any related company or trade or business that is (or was, at a relevant time with respect to which the Company or any Subsidiary continues to have any liability) required to be aggregated with Sellers under Sections 414(b), (c), (m) or (o) of the Code.

"Escrow Agent" shall have the meaning set forth in the Indemnity Escrow Agreement and the Adjustment Escrow Agreement, as applicable.

"Escrow Agreements" means, collectively, the Indemnity Escrow Agreement and the Adjustment Escrow Agreement.

"Estimated Closing Net Indebtedness" means Closing Net Indebtedness, as estimated by the Company in good faith and delivered to Buyer at least two (2) Business Days prior to the Closing Date.

"Estimated Closing Net Working Capital" means Closing Net Working Capital, as estimated by the Company in good faith and delivered to Buyer at least two (2) Business Days prior to the Closing Date; provided that, in no event shall such amount be greater than $4,997,472.

"Estimated Purchase Price" means the result equal to (i) the Base Purchase Price, minus (ii) the Estimated Closing Net Indebtedness, plus (iii) the amount (if any) by which the Estimated Closing Net Working Capital exceeds the Targeted Net Working Capital, minus (iv) the amount (if any) by which the Targeted Net Working Capital exceeds the Estimated Closing Net Working Capital.

"Excess Amount" shall have the meaning set forth in Section 1D(iv).

"Fundamental Representations" shall mean the representations and warranties set forth in Sections 4A (Organization and Power), 4B(i) (Authorization), 4C (Ownership of Acquired Securities), Sections 5A (Organization and Power), 5B (Capitalization), 5C (Subsidiaries; Ownership of Units), 5D(i) (Authorization), and Sections 6A (Power and Organization), 6B (Capitalization), 6C (Subsidiaries), 6D(i) (Authorization) and 6L (Brokerage).

"GAAP" means United States generally accepted accounting principles.

"Governmental Entity" shall mean any government, governmental agency, department, bureau, office, commission, authority, tribunal or instrumentality, quasi-governmental authority or court of competent jurisdiction or judicial body, whether international, foreign, provincial, domestic, federal, state or local.

"Governmental Programs" shall have the meaning set forth in Section 6R(iii).

"Health Care Laws" means all federal and state laws relating to the regulation, provision or administration of, or payment for, healthcare products or services, including, but not limited to: (i) Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute) and the regulations promulgated thereunder; (ii) Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute) and the regulations promulgated thereunder; (iii) TRICARE, 10 U.S.C. § 1071 *et seq*. and the regulations promulgated thereunder; (iv) the Health Insurance Portability and Accountability Act of 1996, [Pub. L. 104-191] and the regulations promulgated thereunder; (v) Patient Protection and Affordable Care Act, [Public Law 111-148] and the regulations promulgated thereunder; (vi) Health Care and Education Reconciliation Act of 2010, [Public Law 111-152] and the regulations promulgated thereunder, (vii) the Ethics in Patient Referrals Act, 42 U.S.C. § 1395nn and the regulations promulgated thereunder; (vii) the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) and the regulations promulgated thereunder; (ix) the False Claims Act, 31 U.S.C. §§ 3729-3733 and the regulations promulgated thereunder; (x) the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812 and the regulations promulgated thereunder; (xi) the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b and the regulations promulgated thereunder; (xii) the Exclusion Laws, 42 U.S.C. § 1320a-7 and the regulations promulgated thereunder; (xiii) all federal, state and local Laws relating to anti-kickback, self-referral, fraud and abuse and false claims applicable to the Company; (xiv) licensure Laws relating to the regulation, provision or administration of, or payment for, healthcare products or services; and (xv) any similar applicable state and local laws; each of (i) through (xv) as may be amended from time to time.

"Holdings" shall have the meaning set forth in the preamble.

"Holdings Common Units" means the common units of Holdings.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"HSR Approval" shall have the meaning set forth in Section 2A(i).

"Indemnified Party" shall have the meaning set forth in Section 10E(i).

"Indemnifying Party" shall have the meaning set forth in Section 10E(i).

"Indemnity Escrow Account" shall have the meaning set forth in Section 1C(ii).

"Indemnity Escrow Agreement" shall have the meaning set forth in Section 1C(ii).

"Indemnity Escrow Amount" shall mean the Indemnity Escrow Deposit Amount, less any distributions thereof in accordance with this Agreement and the Indemnity Escrow Agreement.

"Indemnity Escrow Deposit Amount" means $7,000,000.

"Indemnity Escrow Funds" means the amounts held in the Indemnity Escrow Account, including any dividends, interest, distributions and other income received in respect thereof, less any losses on investment thereof, less distributions thereof in accordance with this Agreement and the Indemnity Escrow Agreement.

"Intellectual Property Rights" means all rights in and to the following: (i) patents and patent applications, (ii) trademarks, service marks, trade dress, logos and registrations and applications for registration thereof together with all of the goodwill associated therewith, (iii) copyrights (registered or unregistered) and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) any computer software or programs (excluding any software available generally through retail merchants, otherwise subject to "shrink-wrap" or "click-through" license agreements or pre-installed in computer hardware) and (vi) trade secrets, inventions (whether patentable or unpatentable and whether or not reduced to practice) and know-how.

"Knowledge" when used in the phrase "to the Knowledge of the Company" or similar phrases means, and shall be limited to, the actual knowledge of Buddy Turner, Thomas Croffut, Dr. Zyama Goldman and/or Jay Schreiner.

"Latest Audited Balance Sheet" means the audited consolidated balance sheet of Holdings as of December 31, 2011.

"Latest Balance Sheet" shall have the meaning set forth in Section 6E(i).

"Leased Real Property" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures, or other interest in real or immovable property that is used in the business or operations of the Company or any of its Subsidiaries.

"Leases" means all leases, subleases, licenses, concessions and other agreements (written or oral), including all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which the Company or any of its Subsidiaries (i) leases any personal property for an annual amount that exceeds $50,000 or (ii) holds any Leased Real Property.

"Lien" means any mortgage, pledge, lien, hypothecation, encumbrance (monetary and non-monetary), charge or other security interest.

"Limitation Date" shall have the meaning set forth in Section 11A.

"Losses" means actual out-of-pocket losses, liabilities, damages or expenses (including reasonable legal fees).

"Majority Holders" shall have the meaning set forth in Section 11I.

"Medicare and Medicaid Programs" shall have the meaning set forth in Section 6R(iii).

"Multiemployer Plan" shall have the meaning set forth in Section 3(37) of ERISA.

"Net Indebtedness" means, without duplication, the excess of (i) the sum of (a) all principal and accrued (but unpaid) interest owing by the Company or its Subsidiaries for debt for borrowed money owed to any third party, including pursuant to the Credit Facilities, (b) all obligations of the Company or its Subsidiaries as lessee under leases that have been recorded as capital leases in accordance with GAAP, (c) all Company Expenses, (d) all Representative Expenses, and (e) any transaction-related fees and/or bonuses or similar amounts payable by the Company or its Subsidiaries in connection with the transactions contemplated hereby and disclosed to Buyer in writing at least two (2) Business Days prior to the Closing over (ii) the amount of cash and cash equivalents of the Company or its Subsidiaries; provided that in no event shall clause (i) above include any fees and expenses to the extent incurred by or at the direction of Buyer or any other liabilities or obligations incurred or arranged by or on behalf of Buyer or its Affiliates in connection with the transactions contemplated hereby or otherwise.

"Net Working Capital" means the excess of (i) the sum of the Company's and its Subsidiaries' current assets determined in accordance with GAAP applied on a basis consistent with the methodologies, practices, estimation techniques, assumptions and principles used in the preparation of the Latest Audited Balance Sheet, over (ii) the sum of the Company's and its Subsidiaries' current liabilities determined in accordance with GAAP applied on a basis consistent with the methodologies, practices, estimation techniques, assumptions and principles used in the preparation of the Latest Audited Balance Sheet; provided that (a) notwithstanding clause (i) above, the current assets of the Company and its Subsidiaries shall not include those assets set forth on the Net Working Capital Schedule attached hereto, and (b) notwithstanding clause (ii) above, the current liabilities of the Company and its Subsidiaries shall not include those liabilities set forth on the Net Working Capital Schedule attached hereto.

"Notice of Disagreement" shall have the meaning set forth in Section 1D(i).

"OIG" shall have the meaning set forth in Section 6R(i)(A).

"Organizational Documents" means (i) the certificate or articles of incorporation and the by-laws, the partnership agreement or operating agreement (as applicable), and (ii) any documents comparable to those described in clause (i) as may be applicable pursuant to any applicable law.

''Owned Real Property'' means all land, together with all buildings, structures, improvements, and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by the Company or any of its Subsidiaries and used in the business of the Company or its Subsidiaries.

"Permitted Encumbrances" means (i) any restriction on transfer arising under applicable securities law, (ii) Liens for Taxes not yet delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings, in each case to the extent such Taxes are adequately reserved for on the Closing Balance Sheet, (iii) Liens of lessors, lessees, sublessors, sublessees, licensors or licensees arising under lease arrangements or license arrangements, (v) Liens under the Credit Facilities, (vi) mechanics Liens and similar Liens for labor, materials, or supplies, for amounts not yet delinquent, (vii) zoning, building codes, and other land use laws regulating the use or occupancy of Leased Real Property or the activities conducted thereon that are imposed by any Governmental Entity having jurisdiction over such Leased Real Property; (viii) easements, servitudes, covenants, conditions, restrictions, and other similar matters affecting title to any assets of the Company or any of its Subsidiaries and other title defects in real property that do not or would not materially impair the use or occupancy or value of such assets in the operation of the business of the Company or any of its Subsidiaries, (ix) Liens set forth on Section 6G(iii) of the Company Disclosure Letter, and (x) all matters set forth on title policies or surveys made available by the Company to Buyer prior to the date of this Agreement.

"Person" means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Entity.

"Physician" means any licensed doctor of medicine or osteopathy, doctor of dental surgery or dental medicine, doctor of podiatric medicine, doctor of optometry, or chiropractor, or any group, partnership or corporation, of whatever form, made up of one more such Persons.

"Private Programs" shall have the meaning set forth in Section 6R(iii).

"Pro Rata Share" means the percentage for each Seller as set forth on Exhibit H attached hereto.

"Provider Agreements" shall have the meaning set forth in Section 6R(iii).

"Purchase Price" means the result equal to (i) the Base Purchase Price, minus (ii) the Closing Net Indebtedness, plus (iii) the amount (if any) by which the Closing Net Working Capital exceeds the Targeted Net Working Capital, minus (iv) the amount (if any) by which the Targeted Net Working Capital exceeds the Closing Net Working Capital.

"Remaining Adjustment Escrow Funds" shall have the meaning set forth in Section 1D(iv).

"Representation" shall have the meaning set forth in Section 12D.

"Representative" means Behavioral Centers of America Holdings, LLC, a Delaware limited liability company.

"Representative Expenses" means an amount estimated by the Representative and delivered to the Company and Buyer at Closing for fees and expenses incurred or estimated to be incurred by the Representative in its capacity as such either before or after the Closing.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller" shall have the meaning set forth in the preamble.

"Seller Group" shall have the meaning set forth in Section 11K(i).

"Seller Parties" means the Sellers, any Affiliate of any Seller and their respective officers, directors, employees, partners, members, managers, agents, attorneys, representatives, successors or permitted assigns.

"Shortfall Amount" shall have the meaning set forth in Section 1D(iii).

"Specific Representation" shall have the meaning set forth in Section 12D.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors,

managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons shall be allocated a majority of partnership, association or other business entity gains or losses or shall be or control the managing director or general partner of such partnership, association or other business entity.

"Targeted Net Working Capital" means $4,497,472.

"Tax" or "Taxes" means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property or windfall profits taxes, environmental taxes, customs duties, franchise, employees' income withholding, foreign or domestic withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, value added, goods and services, alternative or add-on minimum, unclaimed property or other tax, fee, assessment or charge of any kind whatsoever including any interest, penalties or additions to Tax or additional amounts in respect of the foregoing.

"Tax Benefit" shall mean any refund of federal income Taxes paid or any reduction in the amount of federal income Taxes which otherwise would have been paid, that is attributable to any federal income Tax deduction, loss, or credit, resulting from or arising out of a Loss, calculated by computing the amount of federal income Taxes of the Indemnified Party before and after inclusion of any such Tax deduction, loss or credit (treating such items of Tax deduction, loss or credit as the last items claimed). A Tax Benefit shall be actually received upon the receipt of a refund of Taxes paid or the filing of a Tax Return showing a Tax Benefit.

"Tax Proceeding" shall have the meaning set forth in Section 11G(iii).

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

"Third Party Claim" shall have the meaning set forth in Section 10E(i).

"Title IV Plan" means any employee pension benefit plan (as such term is defined in Section 3(2) of ERISA) that is subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code, other than a Multiemployer Plan.

"Transaction Tax Deductions" means any deductions of the Company, any Subsidiary of the Company, or any Blocker, as applicable, that are deductible under applicable Tax law, in connection with the transactions contemplated hereby and the Closing, for (i) the write-off of deferred financing fees, (ii) the payment of compensatory expenses, (iii) the payment of any investment banking, legal, accounting or other transaction related fees, costs or expenses and/or bonuses (or similar amounts), and (iv) the payment of Net Indebtedness or Company Expenses. For such purpose, the parties agree to apply the safe harbor election set forth in Internal Revenue Service Revenue Procedure 2011-29 to determine the amount of deductions attributable to the payment of any success based fees within the scope of such revenue procedure.

"Units" shall have the meaning set forth in the recitals.

"WARN" shall have the meaning set forth in Section 11K.

INDEX OF SCHEDULES AND EXHIBITS*

* Schedules and Exhibits are omitted in accordance with Item 601(b)(2) of Regulation S-K. Acadia agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

Exhibits

Exhibit A	Definitions
Exhibit B	Indemnity Escrow Agreement
Exhibit C	Adjustment Escrow Agreement
Exhibit D	Company Closing Certificate
Exhibit E	Buyer Closing Certificate

Schedules

Section 1E	Purchase Price Allocation
Section 2B(viii)	Closing Net Indebtedness
Section 3B	Ordinary Course of Conduct
Section 4B(ii)	Authorization; No Breach
Section 4C	Ownership of Acquired Securities
Section 5B	Capitalization
Section 5C	Subsidiaries; Ownership of Units
Section 5D(ii)	Authorization; No Breach
Section 5G	Tax Matters
Section 6B	Capitalization
Section 6C	Subsidiaries
Section 6D(ii)	Authorization; No Breach
Section 6E(i)	Financial Statements
Section 6E(ii)	Undisclosed Liabilities
Section 6F	Absence of Certain Developments
Section 6G(i)	Owned Real Property
Section 6G(i)(B)	Leases of Owned Real Property
Section 6G(i)(E)	Mechanics or Materialman’s Liens
Section 6G(i)(F)	Condemnation
Section 6G(ii)	Leased Real Property
Section 6G(iii)	Encumbrances
Section 6H	Tax Matters
Section 6I	Company Material Contracts
Section 6I(i)	Severance
Section 6I(ii)	Collective Bargaining
Section 6I(iii)	Physician Agreements
Section 6I(iv)	Payor Contracts
Section 6I(v)	Non-Competes
Section 6I(vi)	Equipment Leases and Certain Other Agreements
Section 6I(vii)	Loans
Section 6I(viii)	Most-Favored Nation Contracts
Section 6I(ix)	Other Company Material Contracts

Section 6J	Intellectual Property
Section 6K	Legal Proceedings
Section 6M(i)	Company Employee Benefit Plans
Section 6M(ii)	Pending Investigations
Section 6M(iv)	Acceleration/Increases to Employee Benefit Compensation
Section 6N	Insurance
Section 6O	Compliance with Applicable Laws
Section 6P	Environmental
Section 6Q	Employees
Section 6R	Health Care Regulatory Compliance
Section 6S	Related Party Transactions
Section 6T(i)	Deposit Accounts
Section 6T(ii)	Powers of Attorney
Section 10A(iv)	Identified Matters Schedule
Section 10A(vi)	Identified Matters
Section 10C	Contributing Seller Pro Rata Portion
Section 11K	Terminated Employees
Section A	Certain Licenses/Permits

MEMBERSHIP INTEREST PURCHASE AGREEMENT

By and Among

2C4K, L.P.,

ARTC ACQUISITIONS, INC.,

ACADIA VISTA, LLC

and

ACADIA HEALTHCARE COMPANY, INC.

November 23, 2012

TABLE OF CONTENTS

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is dated as of November 23, 2012, by and among 2C4K, L.P., a Texas limited partnership ("2C4K"), ARTC ACQUISITIONS, INC., a Delaware corporation ("ARTC, and together with 2C4K, each a "Seller" and collectively, "Sellers"), Acadia Vista, LLC, a Delaware limited liability company ("Buyer" and, with Seller, each a "Party" and collectively, the "Parties"), and ACADIA HEALTHCARE COMPANY, INC., a Delaware corporation ("Acadia").

RECITALS:

A. Sellers own all of the outstanding Units (as defined herein) of AmiCare Behavioral Centers, LLC, a Delaware limited liability company ("AmiCare"). AmiCare and its Subsidiaries (as defined herein) are engaged in the business of owning, operating and managing behavioral healthcare facilities.

B. Buyer is a wholly-owned subsidiary of Acadia, and Acadia has agreed to join this Agreement for the limited purposes set forth in its joinder hereto.

C. Sellers desire to sell to Buyer, and Buyer desires to purchase from Sellers, all of the AmiCare Units, all on the terms and subject to the conditions set forth herein.

In consideration of the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed among the Parties as follows.

ARTICLE I
DEFINITIONS

1.1 Definitions. In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1, which shall be equally applicable to both the singular and plural forms.

"**2007 Option Plan**" means the AmiCare Behavioral Centers, LLC 2007 Unit Option plan, as amended.

"**Affiliate**" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of this definition, a Person has control of another Person if it has the direct or indirect ability or power to direct or cause the direction of management policies of such other Person or otherwise direct the affairs of such other Person, whether through ownership of at least fifty percent (50%) of the voting securities of such other Person, by Contract or otherwise.

"**AmiCare Units**" means the voting and non-voting membership interests of AmiCare.

"**Business**" means the operations of the Group Companies, as currently conducted.

"**Business Day**" means any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by Law to close.

"**Buyer Ancillary Agreements**" means all agreements, instruments and documents being or to be executed and delivered by Buyer or an Affiliate of Buyer under this Agreement or in connection herewith.

"**Buyer Group Member**" means Buyer and its Affiliates, and their respective directors, officers, successors and permitted assigns.

"**Cash and Cash Equivalents**" means the aggregate amount of cash and cash equivalents (including marketable securities and short term investments) of the Group Companies as of immediately prior to the Closing.

"**Closing**" means the closing of the purchase and sale of the AmiCare Units by Buyer and Sellers in exchange for the Purchase Price.

"**Closing Indebtedness**" means the total amount of Indebtedness encumbering the Group Companies as of immediately prior to the Closing.

"**COBRA**" means Section 4980B of the Code or Title I, Part 6, of ERISA.

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

"**Constituent Documents**" means any charter, certificate of incorporation, certificate of formation, certificate of organization, articles of association, bylaws, operating agreements, partnership agreement, trust agreement or similar formation or governing documents and instruments.

"**Contaminant**" means any contaminant, pollutant, hazardous or toxic substance or waste, petroleum or petroleum derived substance, additive or wastes, infectious medical waste, radioactive materials, or any other compound, element or substance in any form regulated by, or giving rise to liability under, any Environmental Law.

"**Contemplated Transactions**" means the transactions contemplated by this Agreement, the Seller Ancillary Agreements and the Buyer Ancillary Agreements.

"**Cost Report Period**" shall mean any year or any other period that is treated as a year, with respect to which any cost report may be required to be filed by any Government Healthcare Program.

"**Cost Report Straddle Period**" means a Cost Report Period that, to the extent it relates to a Group Company, includes, but does not end on, the Closing Date.

"**Designated Facility**" means those Facilities identified on **Schedule 1.1 B** as inpatient psychiatric hospitals.

"**Encumbrance**" means any lien, claim, charge, security interest, mortgage, deed of trust, pledge, easement, option, limitation on use, conditional sale or other title retention agreement, defect in title or other restrictions of a similar nature.

"**Environmental Laws**" means all applicable Laws concerning pollution or protection of the environment and or human health, or the use, management, disposal, discharge, release or threatened release of any Contaminant, as such of the foregoing are enacted and in effect on or prior to the Closing Date.

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

"**ERISA Affiliate**" means any subsidiary or other entity that would be considered a single employer with Sellers or any Group Company within the meaning of Section 414 of the Code.

"**Escrow Agent**" means SunTrust Bank, a Georgia banking corporation.

"**Escrow Amount**" means $5,000,000.00.

"**Excluded Liabilities**" shall mean all of the following, except (x) to the extent included in the calculation of Closing Working Capital and (y) for any Excluded Liability which is also an Adjustment:

(i) Any Loss arising from or related to (a) any Proceeding involving any Group Company or against Sellers involving any Facility or Group Company filed at any time prior to the Closing, (b) any such threatened or potential Proceeding with respect to which Sellers or a Group Company has provided notice to the applicable insurance carrier prior to the Closing, (c) any such threatened or potential Proceeding with respect to events occurring prior to the Closing with respect to which Sellers or a Group Company would have been covered by its applicable insurance coverage in effect immediately prior to the Closing if Sellers or a Group Company had timely provided notice to the applicable insurance carrier prior to the Closing or (d) the items described on attached **Schedule 1.1 A**;

(ii) any Loss arising from or related to any operations or business of Sellers or their Affiliates, other than the Group Companies.

"**Facilities**" means the health care facilities listed on **Schedule 1.1 B**, each of which shall be a "Facility".

"**Facilities Material Adverse Effect**" means any change, effect, event or condition that, individually or in the aggregate with all other changes, effects, events or conditions, has, or would reasonably be expected to have, a material adverse effect upon the financial condition, business or results of operations of any individual Designated Facility; provided, however, that any adverse change, effect, event or condition arising from or related to the following shall not be taken into account in determining whether a Facilities Material Adverse Effect has occurred: (i) any changes or conditions affecting economic or capital markets in the United States or internationally, or any change in interest rates or general economic conditions in the industries or markets in which the Group Companies operate; (ii) any national or international political or

social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States; (iii) any changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (iv) any changes in GAAP; (v) any change in any Law, including any changes in Laws affecting the regulation of health care services; (vi) any change that is generally applicable to behavioral health care companies; (vii) to the extent reasonably demonstrable by Sellers, the entry into or announcement of this Agreement, the Contemplated Transactions or the identity of Buyer or its Affiliates; or (viii) compliance with the terms of this Agreement or the taking of any action (or omission of any action) expressly consented to or requested by Buyer; provided that change, effect, event or condition described in the foregoing clauses (v) or (vi) is not, or would not reasonably be expected to be, disproportionately adverse in any material respect to the financial condition, business or results of operations of the Group Companies, taken as a whole, or any individual Designated Facility, as compared to other Persons engaged in the industries and in the lines or types of businesses in which the Group Companies operate.

"**GAAP**" means United States generally accepted accounting principles as modified as described in **Schedule** 1.1 C and applied by AmiCare consistently throughout the periods involved and in accordance with AmiCare' s prior practices and policies.

"**Governmental Body**" means any federal, state, local or other governmental authority or regulatory body, agency, instrumentality or commission, or court, tribunal or judicial or arbitral body.

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

"**Group Companies**" means, collectively, AmiCare and its Subsidiaries.

"**Group Companies Intellectual Property**" means all Intellectual Property that is owned or licensed by the Group Companies and that is material to the conduct of the Business as conducted on the date hereof.

"**Group Companies Material Adverse Effect**" means any change, effect, event or condition that, individually or in the aggregate with all other changes, effects, events or conditions, has, or would reasonably be expected to have, a material adverse effect upon the financial condition, business or results of operations of the Group Companies, taken as a whole; provided, however, that any adverse change, effect, event or condition arising from or related to the following shall not be taken into account in determining whether a Group Companies Material Adverse Effect has occurred: (i) any changes or conditions affecting economic or capital markets in the United States or internationally, or any change in interest rates or general economic conditions in the industries or markets in which the Group Companies operate; (ii) any national or international Political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories,

possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States; (iii) any changes in financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (iv) any changes in GAAP; (v) any change in any Law, including any changes in Laws affecting the regulation of health care services; (vi) any change that is generally applicable to behavioral health care companies; (vii) to the extent reasonably demonstrable by Sellers, the entry into or announcement of this Agreement, the Contemplated Transactions or the identity of Buyer or its Affiliates; or (viii) compliance with the terms of this Agreement or the taking of any action (or omission of any action) expressly consented to or requested by Buyer; provided that change, effect, event or condition described in the foregoing clauses (v) or (vi) is not, or would not reasonably be expected to be, disproportionately adverse in any material respect to the financial condition, business or results of operations of the Group Companies, taken as a whole, as compared to other Persons engaged in the industries and in the lines or types of businesses in which the Group Companies operate.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Income Tax**" means any Tax based on or measured by reference to gross or net income or receipts, and franchise, net worth, capital or other doing business Taxes, including any interest, penalty or addition thereto, irrespective of whether disputed.

"**Indebtedness**" means, as of any time, without duplication, the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations (including any prepayment premiums payable as a result of the Closing) arising under, any obligations of any Group Company consisting of (i) indebtedness for borrowed money (but excluding any intercompany indebtedness among the Group Companies, and excluding trade payables and accrued expenses arising in the ordinary course of business); (ii) indebtedness evidenced by any note, bond, debenture or other debt security, in each case, as of such date; (iii) any letter of credit to the extent drawn for any of the Group Companies; (iv) capitalized leases; (v) any deferred compensation arrangement, severance plan or arrangement, bonus plan, transaction bonus, change of control bonus or similar arrangement payable as a result of the consummation of the Contemplated Transactions; (vi) any payment obligation under any interest rate swap agreement payable as a result of the consummation of the Contemplated Transactions; or (vii) the Options Spread.

"**Intellectual Property**" means all copyrights, trademarks, trade names, service marks, trade dress, domain names, trade secrets, patents, computer programs and other intellectual property and proprietary rights.

"**Interim Balance Sheet Date**" means August 31, 2012.

"**Interim Financial Statements**" means the Interim Balance Sheet and the related statements of income and cash flows for the eight (8) months ended on the Interim Balance Sheet Date.

"**Knowledge of Sellers**" or "Sellers' Knowledge" or any derivations thereof means, as to a particular matter, the actual knowledge after reasonable inquiry, to the extent necessary for the provision of the Schedules and to verify the representations and warranties of Sellers, of each of Keith Naples, Kyle Naples and Susan Naples and each of the CEOs, CFOs and compliance officers of each of the Facilities.

"**Laws**" means any federal, state and local laws, statutes, regulations, rules, codes or ordinances enacted, adopted, issued or promulgated by any Governmental Body.

"**Loss**" or "**Losses**" means all losses, damages, settlement payments, judgments, fines, penalties, liabilities or other charges (including reasonable attorneys' fees and expenses); provided that Losses shall not include any punitive, exemplary, special, consequential or opportunity cost damages of any kind or the loss of anticipated or future business or profits, any diminution of value or multiples of earnings damages, except any such damage or loss awarded against an Indemnified Party in a Third Party Claim.

"**Options**" means the options issued pursuant to the 2007 Option Plan.

"**Options Spread**" means the amount of cash payable at Closing with respect to each Option pursuant to Section 4.2(d) of the 2007 Option Plan, which amount will reflect a proportionate share of fees and other expenses incurred by Sellers in connection with the transactions contemplated by this agreement, multiplied by the number of Options outstanding at the Closing.

"**Permitted Encumbrances**" means (a) mechanic's, materialmen's, carriers', repairers' and other Encumbrances arising or incurred in the ordinary course of business for amounts that are not yet delinquent or are being contested in good faith through appropriate proceedings, (b) liens for Taxes, assessments or other governmental charges not yet due and payable as of the Closing Date or which are being contested in good faith, (c) encumbrances and restrictions on real property (including easements, covenants, conditions, rights of way and similar restrictions) that do not materially interfere with the Group Companies' present uses or occupancy of such real property, (d) any right, interest, Encumbrance or title of a licensor, sublicensor, licensee, sublicensee, lessor or sublessor under any license, lease or other similar agreement or in the property being leased or licensed, (e) Encumbrances identified on the Schedules to this Agreement and (f) other Encumbrances or imperfections on or to property which are not material in amount or do not materially detract from the value or title of or materially impair the existing use of the property affected by such Encumbrance or imperfection.

"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization or Governmental Body.

"**Proceeding**" means any claim, action, suit, arbitration, or proceeding, whether civil, criminal or administrative, by or before any Governmental Body.

"**Related Party**" means, as to any Person, (i) each individual who is, or who has at any time since inception been a director, limited liability company manager, officer, employee or a material equity holder of such Person or any of its Subsidiaries, (ii) each immediately family

member of the individuals described in clause (i) above, and (iii) each trust or other Person (other than such Person and its Subsidiaries) in which any Person described in clause (i) or clause (ii) above holds (or in which more than one of such Persons collectively hold), beneficially or otherwise, a material voting, proprietary or financial interest.

"**Release**" means the release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Contaminant into the indoor or outdoor environment.

"**Seller Ancillary Agreements**" means all agreements, instruments and documents being or to be executed and delivered by Sellers or an Affiliate of Sellers under this Agreement or in connection herewith.

"**Seller Group Member**" means each Seller and its respective Affiliates, and their respective directors, officers, successors and permitted assigns.

"**Straddle Period**" means a Taxable Period that, to the extent it relates to a Group Company, includes, but does not end on, the Closing Date.

"**Subsidiaries**" means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors is at the time owned, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the membership, partnership or other similar ownership interests thereof is at the time owned, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be a, or control any, managing director or general partner of such business entity (other than a corporation).

"**Tax**" or "**Taxes**" means any federal, state, local or foreign income, gross receipts, capital, bulk, production, license, payroll, employment, excise, severance, stamp, recording, occupation, premium, windfall profits, environmental, customs duties, capital stock, units, franchise, single business, profits, margin, withholding, social security, unemployment, disability, real property, real estate excise, mortgage, inventory, personal property, intangible property, sales, use, ad valorem, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalties, fines, additions to tax or additional amounts imposed by any Tax Authority with respect thereto.

"**Tax Authority**" means any Governmental Body having jurisdiction over the assessment, determination, collection or imposition of any Tax.

"**Tax Return**" means any return, report, election, notice, estimate, declaration, request or other statement or document (including all schedules, exhibits and other attachments thereto) relating to and filed or required to be filed with a Tax Authority, including any information statement, claim for refund, or declaration of estimated Tax and any amendment to any of the foregoing.

"**Taxable Period**" shall mean any taxable year or any other period that is treated as a taxable year, with respect to which any Tax may be imposed under any applicable statute, rule, or regulation.

"**Transfer Taxes**" means any real property transfer or gains, sales, use, documentary, transfer, value added, stock transfer, unit transfer, and stamp Taxes, any transfer, recording, registration, and other fees, and any similar Taxes imposed on either the Contemplated Transactions or any deemed transactions contemplated by, or related to, this Agreement and all transactions involving the ownership, acquisition, or perfection of security interests (for the avoidance of doubt, Transfer Taxes do not include any Taxes imposed, in whole or in part, on the basis of net income by any Tax Authority).

"**Treasury Regulations**" means the regulations promulgated under the Code by the United States Department of the Treasury.

"**Units**" means capital stock of or any other type of ownership interest in, including membership or partnership interests in, a Person.

"**Working Capital**" means, at any date, the excess of (i) the aggregate current assets of the Group Companies (excluding amounts included in the Cash and Cash Equivalents), minus (ii) the aggregate current liabilities (excluding any amounts included in Closing Indebtedness) of the Group Companies, in each case calculated in accordance with GAAP consistent with Section 2.3(c) and **Exhibit 2.3(c)**, excluding Income Tax assets and Income Tax liabilities.

Cross References. The following terms are defined in the following Sections of this Agreement.

Term	Section
Acadia	Preamble
Accounting Firm	Section 2.3(d)
Acquired Competing Business	Section 8.8
Acquired Employees	Section 8.3(b)
Acquisition Transaction	Section 7.6
Adjustment	Section 11.1(a)(iii)
Agreed Adjustments	Section 2.3(d)
Benefit Plans	Section 5.17(a)
Breach Notification Log	Section 5.10(h)
Buyer	Preamble
Cap	Section 11.1(b)(iii)
Claim Notice	Section 11.3
Closing Date	Section 3.1
Closing Date Balance Sheet	Section 2.3(d)
Closing Working Capital	Section 2.3(d)
Confidential Information	Section 8.2

Term	Section
Confidentiality Agreement	Section 8.2
Competing Business	Section 8.8
Contest	Section 8.1(f)(i)
Corporate Group Company	Section 8.1(j)(i)
Damage Repair Amount	Section 7.8
Deductible	Section 11.1(b)(ii)
DOJ	Section 7.2(b)
Effective Time	Section 3.1
Environmental Permits	Section 5.19(c)
Environmental Reports	Section 5.19(d)
Escrow Agreement	Section 2.2(b)
Escrow Release Date	Section 2.2(b)
Estimated Closing Working Capital	Section 2.3(b)
Financial Statements	Section 5.4
Financing	Section 6.5
FTC	Section 7.2(b)
Guarantor	Section 3.4(l)
Guaranty	Section 3.4(l)
Governmental Programs	Section 5.10(a)
Governmental Permits	Section 5.8
Group Company Indemnified Persons	Section 8.5(a)
Group Company Shares	Section 8.1(j)(i)
HIPAA	Section 5.10(h)
HITECH	Section 5.10(h)
Indemnified Party	Section 11.3
Indemnitor	Section 11.3
Interim Balance Sheet	Section 5.4
Leased Real Property	Section 5.12(b)
JC	Section 5.10(f)
Material Contracts	Section 5.15(a)
Material Leases	Section 5.12(b)
Non-Compete Area	Section 8.8
Non-Compete Period	Section 8.8
Nose Coverage	Section 8.5
Nose Premium	Section 8.5
Owned Real Property	Section 5.12(a)
Party	Preamble
Parties	Preamble
Preliminary Closing Date Balance Sheet	Section 2.3(c)(i)
Preliminary Working Capital Determination	Section 2.3(c)(ii)
Purchase Price	Section 2.2(a)
Purchase Price Adjustments	Section 2.3(a)
Purchase Price Allocation	Section 8.1(j)
Representatives	Section 8.2
Retirement Plan	Section 8.3(e)

Term	Section
Sellers	Preamble
Sellers Escrow Expense	Section 2.2(b)
Sellers Financial Statements	Section 4.7
Tail Policy	Section 8.5
Third Party Claim	Section 11.5(a)
Third Party Lease	Section 5.12(c)
Unresolved Claim	Section 2.2(b)
Update	Section 7.5
WARN Act	Section 5.18(c)
Working Capital Excess	Section 2.4(a)
Working Capital Shortfall	Section 2.4(b)
Working Capital Target	Section 2.3(a)

ARTICLE II
PURCHASE AND SALE; PURCHASE PRICE

2.1 Purchase and Sale of the AmiCare Units. Upon the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase and accept from Sellers, legal and beneficial ownership of all of the AmiCare Units owned by Sellers, free and clear of all Encumbrances.

2.2 Purchase Price.

(a) The purchase price (the "Purchase Price") for the AmiCare Units shall be equal to:

(i) One Hundred Thirteen Million Dollars ($113,000,000.00);

(ii) plus the Cash and Cash Equivalents; and

(iii) plus the amount (if any) by which the Estimated Closing Working Capital exceeds the Working Capital Target, or minus the amount (if any) by which the Working Capital Target exceeds the Estimated Closing Working Capital.

(iv) The Purchase Price shall be payable to 2C4K and ARTC proportionately based on their respective Units owned as set forth on **Schedule 4.4**.

(b) The Purchase Price, minus the Escrow Amount, shall be paid at Closing to Sellers in accordance with Section 3.2. The Purchase Price is subject to adjustment as provided in Section 2.3. At Closing, Buyer shall deliver the Escrow Amount to Escrow Agent to be held by Escrow Agent pursuant to the terms of the Escrow Agreement (herein so called) in the form attached hereto as Exhibit 2.2(b). Within five (5) days after March 31, 2014 (the "Escrow Release Date"), Sellers shall be entitled to receive all of the

remaining Escrow Amount, plus any interest thereon, less a reasonable estimate of potential Losses relating to claims pursuant to Article XI for which a valid Claim Notice has been submitted by Buyer in accordance with Section 11.3 (each an "Unresolved Claim"). From time to time promptly after final resolution of any Unresolved Claim, Sellers and Buyer will instruct the Escrow Agent to disburse to Sellers or Buyer, as appropriate, amounts held by the Escrow Agent in respect of such Unresolved Claim. At such date after the Escrow Release Date as no Unresolved Claims exist, Buyer and Sellers will jointly instruct the Escrow Agent to disburse all remaining Escrowed Funds to Sellers. The expenses of the Escrow Agent shall be paid fifty percent (50%) by Buyer and fifty percent (50%) by Sellers ("Sellers Escrow Expense"). The Sellers Escrow Expense shall be deducted from any portion of the Escrow Amount that is payable to Sellers and retained by the Escrow Agent prior to the distribution of the balance, if any, to Sellers.

2.3 Working Capital Adjustment.

(a) The Purchase Price is based, in part, on the Group Companies having an aggregate Working Capital of One Million Two Hundred Twenty-Six Thousand and 00/100 Dollars ($1,226,000.00) at the Closing (the "Working Capital Target"). Accordingly, the Purchase Price is subject to adjustment pursuant to the procedures set forth in this Section 2.3 (the "Purchase Price Adjustments") if, as of the Closing Date, the aggregate Working Capital of the Group Companies is greater or less than the Working Capital Target. **Exhibit 2.3(a)** sets forth an example calculation of the Group Companies' Working Capital that illustrates how the Group Companies' Working Capital shall be calculated for the purposes of this Agreement.

(b) Not later than three (3) Business Days prior to the Closing Date, Sellers shall deliver to Buyer their good faith estimate of (i) the Working Capital (the "Estimated Closing Working Capital") as of immediately prior to the Closing, (ii) the Cash and Cash Equivalents, and (iii) the Closing Indebtedness, all in reasonable detail prepared in accordance with GAAP.

(c) As promptly as practicable (but not later than thirty (30) calendar days) following the Closing Date, Buyer shall:

(i) prepare a consolidated balance sheet of the Group Companies as of the Closing Date, reflecting Buyer's good faith estimate of the Closing Date Balance Sheet (the "Preliminary Closing Date Balance Sheet"), which Preliminary Closing Date Balance Sheet shall (A) be prepared on the same basis and applying the same accounting principles, policies and practices that were used in preparing the Estimated Closing Working Capital, including the principles, policies and practices set forth on **Exhibit 2.3(c)**, and (B) fairly present Buyer's good faith estimate of the value of the consolidated assets and liabilities of the Group Companies as of the Closing Date; and

(ii) deliver to Sellers the Preliminary Closing Date Balance Sheet and a written statement setting forth in reasonable detail the calculation of the Working

Capital of the Group Companies as of the Closing Date, which calculation shall (A) exclude accruals in accordance with GAAP in respect of liabilities to be incurred by the Group Companies on or after the Effective Time and (B) be prepared on the same basis and applying the same accounting principles, policies and practices that were used in preparing the Estimated Closing Working Capital, including the principles, policies and practices set forth on **Exhibit 2.3(c)** (the "Preliminary Working Capital Determination").

(d) Sellers may, within thirty (30) calendar days after the date of receipt of the Preliminary Closing Date Balance Sheet and Preliminary Working Capital Determination, deliver to Buyer a written statement setting forth their objections thereto. In the event Sellers do not so object within such thirty (30) day period, the Preliminary Closing Date Balance Sheet and Preliminary Working Capital Determination shall be final and binding as the "Closing Date Balance Sheet" and "Closing Working Capital", respectively, for purposes of this Agreement. In the event Sellers so object within such thirty (30) day period, Buyer and Sellers shall use their reasonable efforts to resolve, in good-faith, by written agreement (the "Agreed Adjustments") any differences as to the Preliminary Closing Date Balance Sheet and Preliminary Working Capital Determination and, in the event Sellers and Buyer so resolve any such differences, the Preliminary Closing Date Balance Sheet and Preliminary Working Capital Determination, in each case as adjusted by the Agreed Adjustments, shall be final and binding as the Closing Date Balance Sheet and Closing Working Capital, respectively, for purposes of this Agreement. In the event any objections raised by Sellers are not resolved by Agreed Adjustments within thirty (30) calendar days after Sellers advise Buyer of Sellers' objections, then Buyer and Sellers shall submit the objections that are then unresolved to and jointly engage the Nashville, Tennessee office of Lattimore, Black, Morgan and Cain, P.C. (the "Accounting Firm") shall be directed by Buyer and Sellers to resolve the unresolved objections as promptly as reasonably practicable, but in no event later than sixty (60) calendar days after the Accounting Firm's appointment, and to deliver written notice to each of Buyer and Sellers setting forth its resolution of the disputed matters. The Accounting Firm may only review the items that are in dispute. The Accounting Firm shall resolve the dispute applying the same accounting principles, policies and practices that were used in preparing the Estimated Closing Working Capital, including the principles, policies and practices set forth on **Exhibit 2.3(c)**. In connection with the resolution of such dispute, the Accounting Firm will allow Buyer and Sellers to present their respective positions regarding each item that is in dispute, with concurrent copies to the other. The Accounting Firm may, in its discretion, conduct a conference concerning the dispute, at which conference Buyer and Sellers may present additional documents, materials and other information and have present their respective advisors, counsel and accountants. The Preliminary Closing Date Balance Sheet and Preliminary Working Capital Determination, in each case after giving effect to any Agreed Adjustments and to the resolution of disputed matters by the Accounting Firm, shall be final and binding as the "Closing Date Balance Sheet" and "Closing Working Capital", respectively, for purposes of this Agreement. Notwithstanding anything in this Agreement to the contrary, no Party may assert that any award issued by the Accounting Firm is unenforceable because it has not been timely rendered.

(e) The Parties shall make available to Buyer and Sellers and, if applicable, the Accounting Firm, such books, records and other information (including work papers) as any of the foregoing may reasonably request in order to review the Estimated Closing Balance Sheet, the Preliminary Closing Date Balance Sheet, the Estimated Closing Working Capital and Preliminary Working Capital Determination, respectively, or any matters submitted to the Accounting Firm. Buyer and Sellers shall bear the fees and disbursements of the Accounting Firm in the same proportion that the aggregate dollar amount of the disputed items submitted to the Accounting Firm that are unsuccessfully disputed by each such Party bears to the total dollar amount of such disputed items so submitted (as determined by the Accounting Firm in its sole discretion); provided that, until such determination is made, the fees and disbursements of the Accounting Firm shall be borne fifty percent (50%) by Buyer, on the one hand, and fifty percent (50%) by Sellers, on the other, with the Parties reimbursing one another, if necessary, following such determination. All other costs and expenses incurred by the Parties hereto in connection with resolving any dispute hereunder before the Accounting Firm shall be borne by the party incurring such cost and expense.

2.4 Net Working Capital Adjustment Payment.

(a) If the Closing Working Capital exceeds the Estimated Closing Working Capital (such excess, the "Working Capital Excess"), Buyer shall, within five (5) Business Days of such determination, pay to Sellers by wire transfer of immediately available funds a dollar amount equal to such excess; or

(b) If the Closing Working Capital is less than the Estimated Closing Working Capital (such deficit, the "Working Capital Shortfall"), then Buyer shall be entitled to recover from Sellers a dollar amount equal to the Working Capital Shortfall.

ARTICLE III
CLOSING

3.1 Closing Date. The Closing shall take place at 10:00 a.m. (Central Time) on December 31, 2012 so long as all of the conditions set forth in Articles IX and X (excluding conditions that by their terms cannot be satisfied until the Closing Date) have been satisfied or waived (provided, if such conditions have not been satisfied or waived by December 31, 2012, then the Closing shall take place at 10:00 a.m. on the second Business Day after the date on which all of the conditions set forth in Articles IX and X (excluding conditions that by their terms cannot be satisfied until the Closing Date) have been satisfied or waived), at the offices of Waller Lansden Dortch & Davis, LLP, 511 Union Street, Suite 2700, Nashville, Tennessee, on or at such other date, time and place as shall be agreed upon by Buyer and Sellers, and shall be effective as of 12:00:01 a.m. (Central Time) on December 31, 2012, if the Closing is held on December 31, 2012, or on the next Business Day following the Closing, if the Closing is held on a later date (the "Effective Time"). The date on which the Closing is actually held is referred to herein as the "Closing Date".

3.2 Payments at Closing. At the Closing, in addition to the payment of the Escrow Amount in accordance with Section 2.2(b):

(a) On behalf of the Group Companies, Buyer shall pay to the applicable lenders or other obligees all Closing Indebtedness by wire transfer of immediately available funds to the bank account or accounts identified by such lenders or by Sellers in writing on or before the Closing Date; and

(b) Buyer shall pay to Sellers an amount equal to the amount by which the Purchase Price (less the Escrow Amount) exceeds the Closing Indebtedness, by wire transfer of immediately available funds to the bank account identified by Sellers in writing on or before the Closing Date.

3.3 Buyer Additional Closing Deliveries. Subject to fulfillment or waiver (where permissible) of the conditions set forth in Article IX, at the Closing, Buyer shall deliver to Sellers all of the following:

(a) Copy of Buyer's Certificate of Formation, certified as of a recent date by the Secretary of State of the State of Delaware;

(b) Certificate of good standing of Buyer issued as of a recent date by the Secretary of State of the State of Delaware;

(c) Certificate of the secretary or an assistant secretary of Buyer, dated as of the Closing Date, in form and substance reasonably satisfactory to Sellers, as to: (i) no amendments to the Certificate of Formation of Buyer since the date of the certificate specified in clause (a) above; (ii) copy of the Operating Agreement of Buyer certified as true and correct by the secretary or an assistant secretary of Buyer; (iii) copy of the resolutions of the Board of Directors of Buyer authorizing the execution and performance of this Agreement, each Buyer Ancillary Agreement and the Contemplated Transactions and thereby certified as true and correct by the secretary or an assistant secretary of Buyer; and (iv) the incumbency and signatures of the officers of Buyer executing this Agreement and the Buyer Ancillary Agreements;

(d) The certificates contemplated by Section 10.1 and Section 10.2, duly executed by a duly authorized officer of Buyer; and

(e) Each Buyer Ancillary Agreement, duly executed by Buyer.

3.4 Sellers and Group Companies Closing Deliveries. Subject to fulfillment or waiver (where permissible) of the conditions set forth in Article X, at the Closing, Sellers and the Group Companies shall deliver to Buyer all of the following:

(a) Copies of the Certificate of Formation of each Seller, certified as of a recent date by the Secretaries of State of the States of Delaware and Texas, respectively;

(b) Certificates of good standing of each Seller issued as of a recent date by the Secretaries of State of the State of Delaware and Texas, respectively;

(c) Copy of the charter, articles of incorporation, certificate of formation or similar governing document of each Subsidiary, certified as of a recent date by an appropriate official of the state of organization of such Subsidiary;

(d) Certificate of good standing or existence, as applicable, of each Subsidiary issued as of a recent date by an appropriate official of the state of organization of such Subsidiary;

(e) Complete minute books for each of the Group Companies;

(f) Certificate of the secretary or an assistant secretary of each Seller, dated as of the Closing Date, in form and substance reasonably satisfactory to Buyer, as to: (i) no amendments to the Certificate of Formation of AmiCare since the date of the certificate specified in clause (a) above; (ii) copy of the operating agreement of AmiCare, certified as true and correct by the secretary or an assistant secretary of each Seller; and (iii) the incumbency and signature of the officers of each Seller executing this Agreement and the Seller Ancillary Agreements on behalf of each Seller;

(g) All written consents, waivers or approvals obtained by Sellers with respect to the consummation of the Contemplated Transactions;

(h) The certificates contemplated by Section 9.1 and 9.2, duly authorized by Sellers, and the certificate contemplated by Section 9.2, duly executed by a duly authorized officer of each Seller;

(i) The written resignations of each officer, manager and director of the Group Companies (except as otherwise specified by Buyer prior to the Closing);

(j) A pay-off letter or letters from the applicable lender with respect to all Indebtedness consisting of Indebtedness for borrowed money (including capital leases) encumbering the Group Companies as of immediately prior to the Closing;

(k) Each Seller Ancillary Agreement, duly executed by such Seller;

(l) Each Person listed on **Exhibit 3.4(l)** hereto (each a "Guarantor") shall deliver a limited guaranty agreement in the form attached hereto as **Exhibit 3.4(l)** (the "Guaranty");

(m) An opinion of Seller's counsel substantially in the form attached hereto as **Exhibit 3.4(m)**; and

(n) Nonforeign affidavit meeting the requirements of Code Section 1445(b)(2) as set forth in Treasury Regulation Section 1.1445-2.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLERS REGARDING SELLERS

As an inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, Sellers represent and warrant to Buyer as follows, except as set forth on the Schedules to this Agreement (which exceptions shall be deemed to be incorporated by reference in the following representations and warranties as if set forth herein):

4.1 Organization. ARTC is duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. 2C4K is duly formed, validly existing and in good standing under the Laws of the State of Texas.

4.2 Authorization, Validity and Effect of Agreement. Each Seller has all necessary power, capacity and authority to execute, deliver and perform its obligations under this Agreement, and to consummate the Contemplated Transactions. This Agreement has been duly authorized by the Board of Directors or other governing body of each Seller, as applicable, and duly executed and delivered by each Seller and is (assuming the valid authorization, execution and delivery of this Agreement by Buyer) the legal, valid and binding obligation of each Seller, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general application relating to or affecting creditors' rights and to general equity principles. No other corporate or other action on the part of either Seller is necessary to authorize the execution and delivery of this Agreement by such Seller, the performance of such Seller's obligations hereunder or the consummation by such Seller of the Contemplated Transactions.

4.3 Conflicts. Neither the execution and delivery by Sellers of this Agreement or the consummation by Sellers of any of the Contemplated Transactions nor compliance by Sellers with or fulfillment of the terms, conditions and provisions hereof will:

(a) assuming the receipt of all necessary authorizations, consents, approvals, orders and waivers and the filing of all necessary documents as described in Section 4.3(b), with or without the giving of notice, lapse of time or both, conflict with, result in a violation or breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under (i) if applicable, the Certificate of Incorporation, bylaws and/or other formation documents of Sellers, (ii) any material agreement to which either Seller is a party or any of its properties is subject or by which either Seller is bound, (iii) any Governmental Order to which either Seller is a party or by which it is bound or (iv) any Law or Governmental Permits applicable to either Seller, other than, in the case of clauses (ii), (iii) and (iv) above, any such violations, breaches, defaults, rights or loss of rights that, individually or in the aggregate, would not materially impair the ability of either Seller to perform its obligations hereunder or prevent the consummation of any of the Contemplated Transactions; or

(b) assuming the truth and accuracy of the representations and warranties of Buyer set forth in Section 6.6, require the approval, consent, authorization or act of, or the making by Sellers of any declaration, filing or registration with, any Person, except

for (i) in connection, or in compliance, with the provisions of the HSR Act, and (ii) such approvals, consents, authorizations, declarations, filings or registrations the failure of which to be obtained or made would not materially impair the ability of Sellers to perform their obligations hereunder or prevent the consummation of any of the Contemplated Transactions.

4.4 Title to Units. Each Seller is the sole record and beneficial owner of the AmiCare Units set forth in **Schedule 4.4**, and except for Encumbrances that will be released at or prior to Closing, each Seller has good and marketable title to the AmiCare Units, free and clear of all Encumbrances.

4.5 Legal Proceedings.

(a) There are no Proceedings pending or, to the Knowledge of Sellers, threatened against either Seller that, individually or in the aggregate, would reasonably be expected to adversely affect in any material respect the ability of Sellers to enter into, perform their obligations under and consummate the Contemplated Transactions.

(b) There are no Proceedings pending or, to the Knowledge of Sellers, threatened against either Seller that question the legality of the Contemplated Transactions, or which seeks to restrain, enjoin or delay the consummation of the Contemplated Transactions, or which seeks damages in connection the Contemplated Transactions, and no injunctions of any type have been entered or issued in connection with the Contemplated Transactions.

(c) There are no Governmental Orders to which either Seller or any of the Group Companies, or any of their respective assets, properties or businesses is subject or bound, except for any Governmental Orders, which, individually or in the aggregate, would not reasonably be expected to adversely affect in any material respect the ability of Sellers to enter into, perform their obligations under and consummate the Contemplated Transactions.

4.6 Brokers. Neither Sellers nor any Person acting on Sellers behalf has paid or become obligated to pay any fee or commission to any third party broker, finder or intermediary for or on account of the Contemplated Transactions.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLERS REGARDING THE GROUP COMPANIES

As an inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, Sellers represent and warrant to Buyer as follows, except as set forth on the Schedules (which exceptions shall be deemed to be incorporated by reference in the following representations and warranties as if set forth herein):

5.1 Organization. Each of the Group Companies is duly incorporated and duly formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation. Each of the Group Companies is duly licensed or qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction where the

character of its properties owned or held under lease or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect. Each of the Group Companies has all necessary power and authority to own or lease and operate its assets and to carry on the business conducted by it in the manner that it is currently conducted. Each of the Group Companies has made available to Buyer correct and complete copies of its Constituent Documents, together with any amendments thereto.

5.2 Capitalization.

(a) Except as set forth on attached **Schedule 5.2**, all of the issued and outstanding Units of AmiCare are owned, beneficially and of record, by Sellers, free and clear of all Encumbrances. All of the Units have been duly authorized and validly issued and are not subject to, nor were issued in violation of, any preemptive rights.

(b) Except for this Agreement or as set forth in **Schedule 5.2**, there are no options, warrants, calls, subscriptions, convertible securities or other rights (i) to acquire any of the Units or other securities of any Group Company or any securities convertible into or exchangeable or exercisable for any Units or other securities of a Group Company or (ii) which obligate a Group Company to issue, exchange, transfer or sell Units or other securities of a Group Company or any securities convertible into or exchangeable or exercisable for any Units or other securities of a Group Company.

5.3 Subsidiaries. Set forth in **Schedule 5.3** is (i) the name and jurisdiction of organization of each Group Company, (ii) the designation, par value (as applicable) and number of authorized, issued and outstanding shares of Units of each Group Company, and (iii) the record and beneficial owners of such Units and the amount and percentage of Units held by each such holder as of the date hereof. Other than as set forth in **Schedule 5.3** and except for the direct or indirect ownership by AmiCare of the Units of its Subsidiaries, neither AmiCare nor any of its Subsidiaries, directly or indirectly, owns, of record or beneficially, any Units or other securities of any Person and neither AmiCare nor any of its Subsidiaries is obligated to acquire any Units or other securities of any Person. All Units of the Subsidiaries of AmiCare have been duly authorized and validly issued, are fully paid and non-assessable (except to the extent such concepts are not applicable under the applicable Law of such Subsidiary's jurisdiction of formation or other applicable Law). Sellers have made available to Buyer correct and complete copies of the Constituent Documents, as amended, of each of the Subsidiaries of AmiCare, together with any amendments thereto.

5.4 Financial Statements. Sellers have made available to Buyer correct and complete copies of: (a) the audited consolidated balance sheet of the Group Companies as of December 31, 2011 and the audited consolidated statement of income of the Group Companies for the year then ended, and (b) the unaudited unconsolidated balance sheets of the Group Companies as of the Interim Balance Sheet Date (the "Interim Balance Sheet") and the related unaudited unconsolidated statements of income of the Group Companies for the eight (8) months then ended (collectively, the "Financial Statements"). Except as set forth in any notes thereto and except as set forth in **Schedule 5.4**, the Financial Statements (i) were prepared from the books and records of the Group Companies, (ii) were prepared in accordance with GAAP

applied on a consistent basis during the periods involved and (iii) present fairly, in all material respects, the financial condition and results of operations of the Group Companies taken as a whole as of their respective dates and for the respective periods covered thereby, subject to the absence of notes and, in the case of interim financial statements, normal year-end adjustments and the absence of eliminating and consolidating entries required to produce a consolidated financial statement.

5.5 No Undisclosed Liabilities. Except as set forth on Schedule 5.5, as of the date hereof, the Group Companies do not have any liabilities or obligations of the type required to be reflected in a balance sheet prepared in accordance with GAAP or described as a contingency in the notes thereto, other than liabilities or obligations (a) reflected in or reserved against in the Financial Statements or (b) incurred in the ordinary course of business since the Interim Balance Sheet Date that, individually or in the aggregate, would not reasonably be expected to exceed Two Hundred Fifty Thousand Dollars ($250,000).

5.6 Absence of Certain Recent Changes. Except as set forth on **Schedule 5.6**, between the Interim Balance Sheet Date and the date hereof, (a) there has not occurred any Facilities Material Adverse Effect, (b) each Group Company has conducted its respective business only in the ordinary course of business, and (c) no Group Company has taken any action (or failed to take any action) that, if occurring after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 7.3.

5.7 Taxes. Except as set forth on **Schedule 5.7**:

(a) All material Tax Returns required to have been filed by or on behalf of each Group Company and all material Tax Returns of Sellers for which a Group Company reasonably may have a Tax liability have been timely filed and there are no current extensions to file any material Tax Return except any extension that may be requested for tax year 2012 or other current period in accordance with past practice. All such Tax Returns are true, correct and complete in all material respects.

(b) Sellers and each Group Company have timely paid all material Taxes whether or not shown a Tax Return to the extent such failure to pay Taxes could reasonably result in a Tax liability to the Group Companies. There are no Encumbrances, other than Permitted Encumbrances, with respect to Taxes upon any assets of the Group Companies.

(c) No audit, suit, proceeding, claim, examination, deficiency or assessment by any Tax Authority is currently being conducted which could reasonably be expected to create a Tax liability for a Group Company, and no such audit, suit, proceeding, claim, examination, deficiency or assessment is currently pending or, to the Sellers' Knowledge, threatened. No waivers of statutes of limitation have been given or requested by the Sellers or any Group Company in connection with any material Tax Return covering Sellers or any Group Company or with respect to any material Taxes for which any Group Company could reasonably be expected to be liable.

(d) **Schedule 5.7(d)** contains a list of all jurisdictions in which a Group Company files a return or which either Seller files a return as a result of the activity or assets of a

Group Company. No claim has ever been made by a Tax Authority in a jurisdiction where Sellers or any Group Company does not file Tax Returns that Sellers or any Group Company is or may be subject to Tax in that jurisdiction. None of Sellers or any Group Company have and has ever had, a permanent establishment or other taxable presence in any foreign country, as determined pursuant to applicable foreign law and any applicable Tax treaty or convention between the United States and such foreign country.

(e) For periods beginning January 1, 2008, all required estimated Tax payments sufficient to avoid any underpayment penalties have been timely made by or on behalf of Sellers or any Group Company. None of the Tax Returns filed by Sellers or with respect to any Group Company contain a disclosure statement under Section 6662 of the Code (or any similar provision of state, local or foreign Tax law).

(f) Neither Sellers nor any Group Company has been a member of an affiliated group or filed or been included in a combined, consolidated or unitary Income Tax Return or, is a party to or bound by, or liable for any Taxes as a result of, any Tax allocation or sharing agreement.

(g) ARTC is a domestic corporation. 2C4K is a domestic limited partnership.

(h) Sellers and each Group Company have been in compliance in all material respects with the provisions of the Code relating to the withholding and payment of Taxes, as well as similar provisions under any other state, local or foreign Tax Laws, and all material Taxes required to have been withheld from employee wages and paid over to the proper Governmental Bodies have, within the time and in the manner prescribed by Tax Law, been withheld by or with respect to the Group Companies.

(i) None of the Group Companies that is a limited liability company or limited partnership has ever elected to be treated as an association taxable as a corporation or filed a corporate tax return.

(j) None of the Group Companies has engaged in any “listed transaction” as defined in the Treasury Regulations promulgated under Section 6011 of the Code.

(k) None of the Group Companies will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing, (ii) “closing agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign Tax law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition transaction made on or prior to the Closing Date, or (iv) prepaid amount received on or prior to the Closing Date.

(l) Each Group Company that is organized under state law as a corporation is set forth on **Schedule 5.7(l)**. Each Group Company that is organized under state law as a limited liability company is treated as a disregarded entity for federal Income Tax purposes, except for AmiCare, which is treated as a partnership for federal Income Tax purposes. Each Group Company that is organized as a limited partnership under state law is treated as a partnership for federal Income Tax purposes.

(m) But for liabilities that a Group Company may have as the sole member of another Group Company that is a disregarded entity, none of the Group Companies has any liability for Taxes of any Person, except for itself, under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local or foreign Law), as a member of any affiliated group, transferee or successor, by law or contract or otherwise. No Group Company is, and neither Seller nor any Group Company has been, a party to any joint venture, partnership or other arrangement or contract that is or could be treated as a partnership for federal Income Tax purposes, except that both AmiCare and Pinewood Realty, L.P. are treated as partnerships for federal Income Tax purposes.

(n) Sellers have delivered or made available to Buyer true and correct copies of all Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Company or any Group Company since January 1, 2008, and **Schedule 5.7(n)** contains a list of Tax Returns for which the applicable statute of limitations has not run.

(o) Except for certain Subsidiaries of a Group Company that are organized as state law corporations and listed on **Schedule 5.7(l)** as such, each of the Group Companies is, and at all times from the beginning of its existence has been, treated as partnership or a disregarded entity for federal Income Tax purposes.

5.8 Governmental Permits. Except as set forth on **Schedule 5.8**, the Group Companies own, hold or possess all licenses, permits, approvals, variances, exemptions and other authorizations of or from all Governmental Bodies that are necessary to entitle them to own or lease, operate and use their assets and to carry on and conduct the Business under and pursuant to all applicable Laws, except for such Governmental Permits as to which the failure to so own, hold or possess, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect (collectively, the "Governmental Permits"). The Group Companies have complied, and are in compliance, with all terms and conditions of the Governmental Permits, except for such non-compliance which, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect. No Proceeding is pending or, to the Knowledge of Sellers, threatened, contemplating the suspension, cancellation, revocation, withdrawal, modification, limitation or nonrenewal of any Governmental Permit. Each of the Facilities that has historically received reimbursement from the Government Programs is eligible to receive payment without restriction under such Government Programs consistent with its past practices and is a "provider" with valid and current provider agreements and with one or more provider numbers with the federal Medicare program and any state Medicaid programs in which any individual Facility may participate. Each of the Facilities is in compliance with the conditions of participation for the Government Programs in all material respects.

There is not pending or, to Sellers' Knowledge, threatened any proceeding or investigation under the Government Programs involving any of the Facilities. Sellers have made available to Buyer true, correct and complete copies of the Facilities' most recent Medicare and Medicaid certification survey reports, including any statements of deficiencies and plans of correction.

5.9 Compliance with Laws. Except as set forth on **Schedule 5.9**, the Group Companies are, in all material respects, in compliance with, and are conducting the Business in accordance with, all applicable Laws and Governmental Orders.

5.10 Health Care Regulatory Matters. Except as set forth on **Schedule 5.10**:

(a) The Group Companies are not in violation of any health care Laws to which they are subject, including those relating to Medicare, Medicaid, TRICARE and other federal health care programs (collectively "Governmental Healthcare Programs"), the federal health care program anti-kickback statute, 42 U.S.C. § 1320a-7b, the federal physician self-referral law, 42 U.S.C. § 1395nn, the federal False Claims Act, 31 U.S.C. §§ 3729 et seq., the Health Insurance Portability and Accountability Act of 1996 and applicable sections of the Social Security Act, each as amended, and rules and regulations promulgated under the foregoing, except for any such violation or non-compliance which, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect.

(b) None of the Group Companies is a party to a Corporate Integrity Agreement with the Office of Inspector General of the U.S. Department of Health and Human Services or has any reporting obligations pursuant to any settlement agreement entered into with any Governmental Body.

(c) None of the Group Companies has been excluded from participating in any Governmental Healthcare Program, been subject to sanction pursuant to 42 U.S.C. § 1320a-7a or 1320a-8 or been convicted of a crime described at 42 U.S.C. § 1320a-7b, and, to Sellers' Knowledge, no such exclusion or sanction is threatened or pending.

(d) The Group Companies have filed all material claims, cost reports or other reports required to be filed with respect to the provision of services, products and supplies covered under any Governmental Program in accordance with all statutes, rules and regulations applicable to the Governmental Program, and all such claims and reports comply in all material respects with all statutes, rules and regulations applicable to the Governmental Program, except where failure to file or non-compliance in accordance with such statutes, rules and regulations would not have a Facilities Material Adverse Effect. The Facilities are and have been in material compliance with filing requirements with respect to cost reports of the Facilities, and such reports do not claim, and, to Sellers' Knowledge, none of the Facilities has received, payment or reimbursement in excess of the amount provided by applicable law or any applicable agreement, except where excess reimbursement was noted on the cost report. True and correct copies of all such cost reports for the two (2) most recent fiscal years of the Facilities have been made available to Buyer. **Schedule 5.10(d)** indicates which of such cost reports for cost reporting periods ended within the two most recent fiscal years have been audited by the fiscal intermediary and finally settled. To Sellers' Knowledge, there are no facts or circumstances which may reasonably be expected to give rise to any material disallowance under any such cost reports.

(e) Except as set forth on **Schedule 5.10(e)**, the Group Companies, nor any of their respective officers, directors, stockholders or to Sellers' Knowledge employees or medical staff members: (i) has been charged with or convicted of any criminal offense relating to the delivery of an item or service under any Governmental Program; (ii) has been debarred, excluded or suspended from participation in any Governmental Program; (iii) is currently listed on the General Services Administration published list of parties excluded from federal procurement programs and non-procurement programs; or (iv) is the target of any current investigation relating to any Governmental Program-related offense.

(f) Each of the Group Companies is duly accredited with no material contingencies by the Joint Commission ("JC"). Sellers have made available to Buyer copies of the JC accreditation survey report and deficiency list for each of the Group Companies, together with such facility's most recent statement of deficiencies and plan of correction. Except as set forth on **Schedule 5.10(f)**, neither Sellers nor any Group Company has received written notice of any threatened, pending or likely revocation, early termination, suspension or limitation of any such accreditation.

(g) Sellers or Group Companies have made available to Buyer, with respect to the Facilities, (a) a true and correct copy of the blank forms generally used with respect to medical staff privilege and membership application or delineation of privilege; (b) all current medical staff bylaws, rules and regulations and amendments thereto respecting the Facilities; and (c) all written contracts with physicians, physician groups, or other members of the medical staff of the Facilities. No medical staff member is excluded from participation in the Medicare, Medicaid or TRICARE programs, nor, to Sellers' and Group Companies' Knowledge, is any such exclusion threatened. Except as disclosed in **Schedule 5.10(g)**, there are no material pending or, to Sellers' and Group Companies' Knowledge, threatened adverse actions with respect to any medical staff members of the Facilities or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing which to Sellers' and Group Companies' Knowledge is not privileged and has not been scheduled or has been scheduled but has not been completed. Except as disclosed on **Schedule 5.10(g)**, there are no pending or, to Sellers' and Group Companies' Knowledge, there are no threatened appeals, challenges, disciplinary or corrective actions involving applicants, current or former medical staff members, or health professionals at any of the Facilities.

(h) Sellers or Group Companies have made available to Buyer, with respect to the Facilities, true and correct copies of, or access to review, the policies and procedures adopted in compliance with the Health Insurance Portability & Accountability Act of 1996, all regulations promulgated thereto, and the Health Information Technology for Economic and Clinical Health (HITECH) Act (all as amended, "HIPAA"). Each of the Group Companies is and, since February 17, 2010, has been, in material compliance with HIPAA. Neither Sellers nor any of the Group Companies have received from the U.S. Department of Health & Human Services, Office of Civil Rights, written notice of an

investigation of a HIPAA complaint or written notice of a HIPAA audit. Sellers or Group Companies have made available to Buyer, with respect to the Facilities, true and correct copies of each Facility's log of Breaches of Unsecured Protected Health Information (as defined by HIPAA) for the years 2010, 2011 and 2012 through the date of this Agreement (the "Breach Notification Logs"). Except as set forth in the Breach Notification Logs, to the Knowledge of Sellers and each of the Group Companies, there has not been any Breach of Unsecured Protected Health Information (as defined by HIPAA) at any of the Facilities which, individually or in the aggregate, constitutes a Facilities Material Adverse Effect.

5.11 Legal Proceedings. Except as set forth on **Schedule 5.11**:

(a) There are no Proceedings pending against, and to the Knowledge of Sellers, there are no investigations or inquiries being pursued with respect to, any Group Company or Sellers involving any Facility or Group Company that would reasonably be expected to involve amounts in controversy exceeding One Hundred Thousand dollars ($100,000);

(b) There are no Proceedings pending or, and to the Knowledge of Sellers, threatened in writing that question the legality of the Contemplated Transactions, or which seeks to restrain, enjoin or delay the consummation of the Contemplated Transactions, or which seeks damages in connection herewith or therewith, and no injunctions of any type have been entered or issued in connection with the Contemplated Transactions; and

(c) There are no Governmental Orders to which any Group Company, or any of their respective assets, properties or businesses, is subject or bound.

5.12 Real Property.

(a) **Schedule 5.12(a)** sets forth a list of all real property owned by each of the Group Companies (the "Owned Real Property"). Except as set forth on **Schedule 5.12(a)**, (i) each of the Group Companies has sole and exclusive, good and clear, record and marketable title to its Owned Real Property free and clear of any Encumbrance, other than the Permitted Encumbrances, (ii) no Group Company has leased or otherwise granted to any Person the right to use or occupy the Owned Real Property or any portion thereof, and (iii) there are no outstanding options, rights of first refusal, right of first offer to purchase any Owned Real Property, or any portion thereof or interest therein.

(b) Set forth on **Schedule 5.12(b)** is a list, as of the date hereof, of all leases, subleases or other agreements (collectively, the "Material Leases") under which any Group Company leases, subleases or licenses the use of any real property (the "Leased Real Property"), as lessee, licensee or occupant, other than real property with respect to which the annual rental payments do not exceed $50,000. Sellers have made available to Buyer a correct and complete copy of each Material Lease, together with all amendments, modifications, and extensions thereof. Each such Material Lease creates in the applicable Group Company a valid leasehold estate (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting generally the enforcement of creditors' rights and subject to general principles of equity).

(c) **Schedule 5.12(c)** lists all leases, licenses or occupancy agreements (including all amendments thereto) for or related to the Real Property to which any Group Company is a party to or bound by, as lessor or licensor, other than Real Property with respect to which the annual rental payments do not exceed $50,000, and true, correct and complete copies of which, including all amendments, modifications and extensions thereof, have been made available to Buyer (each, a "Third Party Lease").

(d) Except as set forth on **Schedule 5.12(d)**, with respect to the Owned Real Property or Leased Real Property:

(i) Neither Sellers nor any Group Company has received any written notice of any pending or threatened plans to modify or realign any adjacent street or highway or any eminent domain proceeding that would result in the taking of any portion of any such property or that would adversely affect the current use, enjoyment or value of any such property;

(ii) The buildings and improvements constituting the Facilities on the Real Property are in material compliance with all applicable public health, fire safety or building codes and regulations. Certificates of occupancy and/or use have been duly issued by the Applicable Governmental Authority having jurisdiction over the Facilities;

(iii) Neither Sellers nor any Group Company has received any written notice of any pending or threatened public improvements which will result in special assessments or taxes against the Real Property; and

(iv) There exists no material default, breach or dispute on the part of any Group Company under any Third Party Lease nor has any event occurred which, with the passage of time or the giving of notice or both, would constitute a material default or breach by a Group Company under a Third Party Lease.

5.13 Personal Property. Except as set forth on **Schedule 5.13**, the Group Companies have good and valid title to all items of personal property owned by them, and a valid and enforceable leasehold interest in all tangible items of personal property leased by or licensed to them, in each case, free and clear of all Encumbrances, except for Permitted Encumbrances. Except as set forth in **Schedule 5.13**, such equipment and other personal property have been maintained in accordance with good business practices, and are, in the aggregate, in good operating condition and repair (normal wear and tear excepted), in each case, except as would not, individually or in the aggregate, constitute a Facilities Material Adverse Effect.

5.14 Intellectual Property.

(a) Set forth on **Schedule 5.14** is a list of all registered Group Companies Intellectual Property as of the date hereof.

(b) Except as set forth on **Schedule 5.14**, to Sellers' Knowledge, (i) there are no claims pending against any Group Company contesting the use or ownership of any Group Companies Intellectual Property, or alleging that any Group Company is currently infringing the Intellectual Property of any other Person in any material respect, and (ii) there are no claims pending that have been brought by any Group Company against any Person currently alleging infringement of any Group Companies Intellectual Property.

(c) Except as set forth on **Schedule 5.14**, to Sellers' Knowledge, (i) the conduct of the Business as currently conducted does not infringe any Intellectual Property of any Person in any material respect, and (ii) no Person is currently infringing any Group Companies Intellectual Property, except for such matters which, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect.

5.15 Material Contracts.

(a) Set forth on **Schedule 5.15** is a list of the following contracts or agreements to which any Group Company is a party or by which any Group Company is bound (collectively, the "Material Contracts"):

(i) any contract for the purchase, acquisition, sale or disposition of assets or properties involving future payments to or by any Group Company of more than $250,000 during any twelve-month period;

(ii) any Material Leases and Third Party Leases;

(iii) any loan agreements, promissory notes, indentures, bonds, security agreements, mortgages, deeds of trust, extensions of credit or other agreements for Indebtedness of any Group Company in an amount in excess of $100,000;

(iv) any joint venture agreements relating to the Group Companies;

(v) any employment agreement, severance agreement or other contract for the employment by any Group Company of any officer, employee or other individual that provides for an annual base salary in excess of $125,000;

(vi) any collective bargaining agreement, labor contract or other written agreement or arrangement between any Group Company and any labor union or any employee organization;

(vii) any agreement or contract containing any covenant or provision prohibiting any Group Company from engaging in any line or type of business, engaging in any line or type of business in any geographical area or competing with any other Person, other than confidentiality and non-solicitation agreements;

(viii) agreements to which a physician or a referral source to any of the Group Companies is a party;

(ix) agreements with health maintenance organizations, preferred provider organizations, school districts, alternative delivery systems or other payors that involved payments to the Group Companies in excess of $250,000 during the twelve months ended October 31, 2012;

(x) corporate integrity agreements, settlement and other agreements with Governmental Authorities;

(xi) agreements in which any Group Company manages the operations of any other party, and any agreement in which any Group Company has material management services provided to it; or

(xii) any other contracts or commitments not identified above, whether in the ordinary course of business or not, which (A) involve future payments, performance of services or delivery of goods or materials, to or by any Group Company in an amount exceeding $100,000 on an annual basis, and (B) is not terminable by the applicable Group Company in ninety (90) days or less.

(b) Except as set forth on **Schedule 5.15** and as of the date hereof, each of the Material Contracts identified on **Schedule 5.15** is (i) valid and binding on the applicable Group Company party thereto and, to the Knowledge of Sellers, the other party or parties thereto, and is in full force and effect and (ii) enforceable against the applicable Group Company party thereto and, to the Knowledge of Sellers, the other party or parties thereto, in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general application relating to or affecting creditors' rights and to general equity principles. As of the date hereof, no Group Company or, to the Knowledge of Sellers, any other party, is in material violation or breach of or in default under, nor, to the Knowledge of Sellers, does there exist any event, condition or omission that, with or without the giving of notice, lapse of time or both, would result in a violation or breach of, or constitute a default under, or would give rise to any claim for damages or right of termination, amendment, cancellation, acceleration or loss of benefits under, or result in the creation of any Encumbrances upon any of the assets or properties of any of the Group Companies, any Material Contract, except as would not, individually or in the aggregate, reasonably be likely to have a Facilities Material Adverse Effect. Sellers have made available to Buyer a correct and complete copy of each Material Contract.

5.16 Accounts Receivable. Except as set forth on **Schedule 5.16** or as otherwise reserved on the Interim Balance Sheet, to the Knowledge of Sellers, the accounts receivables reflected in the Interim Balance Sheet represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business.

5.17 Employee Benefits.

(a) Set forth on **Schedule 5.17(a)** is a true, complete and correct list of all "employee benefit plans," as defined in Section 3(3) of ERISA, all benefit plans as defined in Section 6039D of the Code and all other bonus, incentive compensation,

deferred compensation, profit sharing, stock option, severance, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, disability, group insurance, vacation, holiday, sick leave, fringe benefit or welfare plans or any other plans, agreements, policies or understandings (whether oral or written, qualified or non-qualified), including deferred compensation arrangements that are referenced in an employment agreement, and any trust, escrow or other funding arrangements related thereto (collectively, the "Benefit Plans"), (i) which are maintained or contributed to, by any Group Company or ERISA Affiliate; or (ii) with respect to which any Group Company or ERISA Affiliate has any expense, liability or obligation to or with respect to any current or former officer, director, employee, service provider or the dependents or beneficiaries thereof, regardless of whether funded.

(b) Except as set forth on **Schedule 5.17(b)**, each Benefit Plan has been established and administered in accordance with its terms and is in compliance with all applicable Laws, including ERISA and the Code, except for such matters or non-compliance which, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect. There have been no prohibited transactions or breaches of fiduciary duty with respect to the Benefit Plans and related funding arrangements that would constitute a Facilities Material Adverse Effect. Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and each trust established in connection with any Benefit Plan that is intended to be exempt from federal Income Taxation under Section 501(a) of the Code is so exempt. All material contributions to, and material payments from, each Benefit Plan that are required to be made in accordance with the terms and conditions thereof and applicable Laws (including ERISA and the Code) have been timely made in all material respects.

(c) Except as set forth in **Schedule 5.17(c)**, neither Sellers nor any Group Company or ERISA Affiliate has ever maintained, been a participating employer in, contributed to, or, since March 23, 2010, been liable to contribute to any employee benefit plan, or, to the Knowledge of Sellers, prior to March 23, 2010 been liable to contribute to, any employee benefit plan which is or was (i) subject to Title IV of ERISA or (ii) subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code. Neither the Group Companies nor any ERISA Affiliate thereof has sponsored or contributed to, or been required to contribute to, a multiemployer plan (as defined in Section 4001(a)(3) of ERISA), any multiple employer plan within the meaning of Section 4063 or Section 4064 of ERISA, or a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA).

(d) Except as set forth in **Schedule 5.17(d)**, no Benefit Plan provides for, and no written or oral agreements have been entered into with any employee or former employee of any Group Company promising or guaranteeing, the continuation of health or other welfare benefits for any former employee of any Group Company for any period of time beyond the termination of employment (except to the extent of health continuation coverage pursuant to COBRA).

(e) Sellers have made available to Buyer a correct and complete copy or original of (i) each written Benefit Plan, including all amendments thereto, and all related trust

documents; (ii) the three most recent Annual Reports (Form 5500 Series) and accompanying schedules with respect to each Benefit Plan, as applicable; and (iii) the most recent determination, opinion, notification or advisory letter from the Internal Revenue Service with respect to each Benefit Plan, as applicable.

(f) With respect to any Benefit Plan, as of the date of this Agreement (i) no claims, lawsuits or actions (other than routine claims for benefits in the ordinary course) are pending, or, to Sellers' Knowledge, threatened and (ii) no administrative investigation, audit or other administrative proceeding by the U.S. Department of Labor, the IRS or other Governmental Body is pending, in progress or, to Sellers' Knowledge, threatened. Each of the Benefit Plans and Group Companies have properly classified individuals providing services to any Group Company as independent contractors or employees, as the case may be.

(g) Except as set forth in **Schedule 5.17(g)**, none of the execution and delivery of this Agreement, the performance by any Party of its obligations hereunder or the consummation of the transactions (alone or in conjunction with any other event, including any termination of employment on or following the Closing Date) will (i) entitle any Acquired Employee to any compensation or benefit, (ii) accelerate the time of payment or vesting, or trigger any payment or funding, of any compensation or benefit or trigger any other material obligation under any Benefit Plan or (iii) result in any breach or violation of, or default under, or limit any Group Company's right to amend, modify or terminate any Benefit Plan.

(h) No amount or other entitlement that could be received as a result of the transactions (alone or in conjunction with any other event) by any "disqualified individual" (as defined in Section 280G(c) of the Code) with respect to Sellers will constitute an "excess parachute payment" (as defined in Section 280G(b)(1) of the Code). No director, officer, employee or independent contractor of any Group Company is entitled to receive any gross-up or additional payment by reason of the tax required by Sections 409A or 4999 of the Code being imposed on such person.

(i) Sellers and the Group Companies have complied in all material respects with the continuation coverage provisions of COBRA and any applicable state statutes mandating health insurance continuation coverage for the Acquired Employees. **Schedule 5.17(i)** contains a list of all current and former employees performing services for the Group Companies and their beneficiaries who are eligible for (and/or have elected continuation coverage under COBRA) and who will be treated as "M&A qualified beneficiaries" as such term is defined in Treasury Regulation Section 54.4980B-9.

5.18 Labor Matters.

(a) There is no pending or, to the Knowledge of Sellers, threatened, with respect to any employee of any Group Company, (i) any strike, slowdown, picketing, work stoppage or employee grievance process, (ii) charge, grievance proceeding or other claim against any Group Company relating to the alleged violation of any Law pertaining to labor relations or employment matters, including any charge or complaint filed by an

employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission or any comparable Governmental Body, (iii) union organizational activity or other labor or employment dispute against any Group Company, or (iv) application for certification of a collective bargaining agent.

(b) No Group Company is a party to, or bound by, any union contract, collective bargaining agreement or other labor-related agreements or arrangements with any labor union, labor organization or works council. No union or similar organization represents employees of any Group Company and, to the Knowledge of Sellers, as of the date hereof no such organization is attempting to organize such employees.

(c) Except as set forth in **Schedule 5.18**, the Group Companies are in compliance with all applicable Laws relating to labor, labor relations or employment, except for any such violation or non-compliance which, individually or in the aggregate, would not constitute a Facilities Material Adverse Effect. No Group Company has engaged in any location closing or employee layoff activities during the two-year period prior to the date hereof that would violate or in any way implicate the Worker Adjustment and Retraining Notification Act of 1988 or any similar state or local Law (collectively, "WARN Act"). **Schedule 5.18** includes a complete list of all employees terminated by any Group Company in the past ninety (90) days, which list shall be updated by Sellers at Closing.

5.19 Environmental Matters. Except as set forth in **Schedule 5.19**:

(a) (i) the Group Companies are in compliance with Environmental Laws and hold and are in compliance with all Governmental Permits required pursuant to Environmental Laws; (ii) no Group Company has assumed, undertaken or otherwise become subject to any liability or corrective, investigatory or remedial obligation of any other Person relating to any Environmental Laws; (iii) no Group Company has received in the past three (3) years any currently unresolved written notice of any violation of any Environmental Laws; and (iv) no Group Company has Released any Contaminant at, on, under or from any property owned or leased by any Group Company in violation of any Environmental Laws, except in each case, as would not, individually or in the aggregate, constitute a Facilities Material Adverse Effect.

(b) Neither Sellers nor any of the Group Companies has disposed of or Released any Contaminant on the Owned Real Property or Leased Property so as to give rise to any liabilities or investigatory, corrective or remedial obligations under any Environmental Laws which would reasonably be expected to have a Facilities Material Adverse Effect.

(c) Each of the Group Companies has all licenses, permits, registrations, approvals and authorizations required under applicable Environmental Laws in connection with its operations of the Facilities ("Environmental Permits"), all such Environmental Permits are in full force and effect and all renewal applications due for such Environmental Permits have been timely filed, and each Facility is in compliance with such Environmental Permits, except for any such noncompliance as would not reasonably be expected to have a Facilities Material Adverse Effect.

(d) To Sellers' Knowledge, Sellers have furnished to Buyer all written environmental assessments, tests, analyses, reports and audits relating to the Facilities, the Owned Real Property and the Leased Property that are in its possession, including without limitation any prior Phase I or Phase II environmental assessments of the Owned Real Property (the "Environmental Reports").

5.20 Insurance. Set forth on **Schedule 5.20** is a list of all policies of fire, liability, workers' compensation, property, casualty and other forms of insurance covering the Group Companies as of the date of this Agreement. Such policies are in full force and effect, all premiums due thereon have been paid, and no notice of cancellation or termination has been received by any Group Company with respect to any such policy. Sellers have made available to Buyer correct and complete copies of all such policies, together with all riders and amendments thereto.

5.21 Related Party Transactions. Other than arrangements between the Group Companies and Sellers and except as set forth on **Schedule 5.21**, (a) no Related Party has, and no Related Party has had within the past three (3) years, any interest in any material asset used in or otherwise relating to the business of the Group Companies, (b) no Related Party is or has, within the past three (3) years, been indebted to any Group Companies (other than for ordinary travel advances) and none of the Company or Group Companies is or has been indebted to any Related Party and (c) to Sellers' Knowledge, no Related Party has entered into, or has any financial interest in, any material contract, transaction or business dealing with or involving any Group Company, other than transactions or business dealings conducted in the ordinary course of business at prevailing market prices and on prevailing market terms.

5.22 Brokers. Except for Stephens, Inc., neither any of the Group Companies nor any Person acting on behalf of the Group Companies has paid or become obligated to pay any fee or commission to any third party broker, finder or intermediary for or on account of the Contemplated Transactions.

5.23 Disclaimer of Other Representations and Warranties.

(a) NONE OF SELLERS, ANY GROUP COMPANY, ANY AFFILIATE THEREOF, NOR ANY OF THEIR REPRESENTATIVES (FINANCIAL, LEGAL OR OTHERWISE), MAKES OR HAS MADE ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER RELATING TO SELLERS, THE GROUP COMPANIES OR ANY OF THEIR SUBSIDIARIES OR THE BUSINESS OF THE GROUP COMPANIES OR OTHERWISE IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS, OTHER THAN THOSE REPRESENTATIONS AND WARRANTIES OF SELLERS EXPRESSLY SET FORTH IN ARTICLE IV AND ARTICLE V. SELLERS HEREBY EXPRESSLY DISCLAIM ANY OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY MATTER WHATSOEVER.

(b) Without limiting the generality of the foregoing, none of Sellers, any Group Companies nor any Affiliate or Representative thereof has made, and shall not be deemed

to have made, any representations or warranties in the materials relating to the business of the Group Companies made available to Buyer, including due diligence materials, or in any presentation of the business of the Group Companies by management of Sellers or others in connection with the Contemplated Transactions, and no statement contained in any of such materials or made in any such presentation shall be deemed a representation or warranty hereunder or otherwise or deemed to be relied upon by Buyer in executing, delivering and performing this Agreement and the Contemplated Transactions. It is understood that any cost estimates, projections or other predictions, any data, any future financial information or any memoranda or offering materials or presentations, including but not limited to, any confidential information memorandum or similar materials made available by Sellers, the Group Companies or their Affiliates or Representatives are not and shall not be deemed to be or to include representations or warranties of Sellers, and are not and shall not be deemed to be relied upon by Buyer in executing, delivering and performing this Agreement and the Contemplated Transactions.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Sellers to enter into this Agreement and to consummate the Contemplated Transactions, Buyer hereby represents and warrants to Sellers as follows:

6.1 Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Buyer is duly licensed or qualified to conduct business as a foreign limited liability company and is in good standing in each jurisdiction where the character of its properties owned or held under lease or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on Buyer or its operations. Buyer has all necessary corporate power and authority to own or lease and operate its assets and to carry on its business in the manner that it has been and is currently conducted.

6.2 Authorization, Validity and Effect of Agreement. Buyer has all necessary power and authority to execute, deliver and perform its obligations under this Agreement and each of the Buyer Ancillary Agreements to which it is a party, and to consummate the Contemplated Transactions. This Agreement has been duly authorized by the governing board of Buyer and duly executed and delivered by Buyer and is (assuming the valid authorization, execution and delivery of this Agreement by Sellers) the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, and each of the Buyer Ancillary Agreements has been duly authorized by the governing board of Buyer and, upon execution and delivery thereof by Buyer, will be duly executed and delivered by Buyer, and will be (assuming the valid authorization, execution and delivery by each Seller, where such Seller is a party, or the other party or parties thereto) a legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, in each case subject to bankruptcy, insolvency, reorganization, moratorium and similar Laws of general application relating to or affecting creditors' rights and to general equity principles. No other action on the part of Buyer or its members or managers is necessary to authorize the execution and delivery by Buyer of this Agreement and the Buyer Ancillary Agreements to which Buyer is a party, the performance of Buyer's obligations hereunder or thereunder or the consummation by Buyer of the Contemplated Transactions.

6.3 No Conflicts; Consents and Approvals. The execution and delivery of, and the performance of its obligations under, this Agreement by Buyer do not, and the consummation by Buyer of the Contemplated Transactions or by any of the Buyer Ancillary Agreements will not:

(a) assuming the receipt of all necessary authorizations, consents, approvals, orders and waivers and the filing of all necessary documents as described in Section 6.3(b), with or without the giving of notice, lapse of time or both, conflict with, result in a violation or breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, (i) the Certificate of Formation, Operating Agreement or other governing documents of Buyer, (ii) any contract to which Buyer is a party or by which Buyer or any of its assets, properties or businesses may be subject or bound, (iii) any Governmental Order to which Buyer is a party or by which Buyer or any of its assets, properties or businesses may be subject or bound or (iv) any material Laws or Governmental Permits applicable to Buyer or any of its assets, properties or businesses, other than, in the case of clause (ii) above, any such conflicts, violations, breaches, defaults, rights or loss of rights that, individually or in the aggregate, would not reasonably be expected to adversely affect in any material respect the ability of Buyer to enter into, perform its obligations under and consummate the Contemplated Transactions; or

(b) require the authorization, consent, approval, order, waiver or act of, or the making by Buyer of any declaration, filing or registration with or notice to, any Person, except (i) in connection, or in compliance, with the provisions of the HSR Act, and (ii) such authorizations, consents, approvals, orders, waivers, acts of, declarations, filings, registrations or notices the failure of which to be obtained or made, individually or in the aggregate, would reasonably be expected to adversely affect in any material respect the ability of Buyer to enter into, perform its obligations under and consummate the Contemplated Transactions.

6.4 Legal Proceedings.

(a) There are no Proceedings pending or, to the actual knowledge of Buyer, threatened against Buyer or its Affiliates, or any of their respective officers, directors, employees, consultants or agents (in their capacity as such), in each case, that, individually or in the aggregate, would reasonably be expected to adversely affect in any material respect the ability of Buyer to enter into, perform its obligations under and consummate the Contemplated Transactions.

(b) There are no Proceedings pending or, to the actual knowledge of Buyer, threatened against Buyer or its Affiliates that questions the legality of the Contemplated Transactions, or which seeks to restrain, enjoin or delay the consummation of the Contemplated Transactions, or which seeks damages in connection herewith or therewith, and no injunctions of any type have been entered or issued in connection with the Contemplated Transactions.

(c) There are no Governmental Orders to which Buyer or any of its Affiliates, or any of their respective assets, properties or businesses is subject or bound, except for any Governmental Orders, which, individually or in the aggregate, would not reasonably be expected to adversely affect in any material respect the ability of Buyer to enter into, perform its obligations under and consummate the Contemplated Transactions. Buyer has no reasonable basis to believe that any Governmental Orders or restrictions are contemplated or that its current assets or activities make any such Governmental Orders or restrictions reasonably likely to result as a result of the execution of this Agreement or otherwise, prior to the Closing.

6.5 Financing. Buyer has cash on hand and other available sources of funds that, together, will at the Closing be sufficient to effect the Contemplated Transactions, including payment of the Purchase Price and other amounts required to be paid under Section 3.2, pay all associated fees, costs and expenses and to make all other payments required by the terms hereof and to otherwise consummate the Contemplated Transactions. Notwithstanding anything to the contrary contained herein, Buyer acknowledges and agrees that it shall not be a condition to the obligations of Buyer to consummate the transactions contemplated hereby that Buyer have sufficient funds for payment of all amounts due hereunder.

6.6 Investment Representations.

(a) Buyer is acquiring the AmiCare Units as an investment for its own account and not with a view to the distribution thereof. Buyer shall not sell, transfer, assign, pledge or hypothecate any of the AmiCare Units in the absence of registration under, or pursuant to an applicable exemption from, federal and applicable state securities Laws.

(b) Buyer has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the AmiCare Units and to understand the risks of, and other considerations relating to, its purchase of the AmiCare Units.

(c) Buyer is aware that, as of the Closing Date, (i) the AmiCare Units will not have been registered under the Securities Act of 1933, as amended, or any state's securities Laws, and (ii) no securities issued by either Seller or any of its Subsidiaries will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended.

6.7 No Brokers. Neither Buyer nor any Person acting on its behalf has paid or become obligated to pay any fee or commission to any broker, finder or intermediary for or on account of the Contemplated Transactions.

ARTICLE VII
PRE-CLOSING COVENANTS

The respective Parties covenant that, during the period from and after the date hereof through the earlier of the Closing or the termination of this Agreement:

7.1 Access to Information. Sellers agree to provide Buyer with reasonable access to all information in the possession of Sellers or Representatives relating to the Group Companies or the Contemplated Transactions, and all of such information shall be treated as Confidential Information pursuant to the terms of the Confidentiality Agreement, and Buyer agrees to maintain the confidentiality of the proposed transaction in all dealings with employees of Sellers or the Group Companies. Sellers shall not be required to provide such access if to do so would unreasonably interfere with the operations of the Group Companies or delivery of patient care and shall not be required to violate any obligation of confidentiality to which it is subject or to waive any privilege that it may possess in discharging its obligations pursuant to this Section 7.1, so long as Sellers shall have used their commercially reasonable efforts to provide such information without violation of any such obligation or applicable Law. Buyer agrees that such investigation shall be conducted in such a manner as not to interfere unreasonably with the operations of the Group Companies. Buyer also agrees that it is not authorized to and shall not (and shall not permit any of its employees, agents, representatives or Affiliates to) contact any employee (other than executive officers), payor, supplier, vendor, customer, patient or other material business relation of the Group Companies regarding the Contemplated Transactions prior to the Closing, without the prior consent of Sellers. Further, Buyer agrees that neither it nor any of its Representatives will visit any Group Company or Facility unless accompanied by a Representative of Sellers (or unless Sellers authorize a visit without a Representative of Sellers).

7.2 Further Actions; Consents of Third Parties; Governmental Approvals.

(a) Each Party will act diligently and use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper and advisable to consummate and make effective the Contemplated Transactions as promptly as practicable, including: (i) obtaining, before the Closing Date, all authorizations, consents, approvals, orders and waivers, in form and substance reasonably satisfactory to the other Parties, required, or that may become necessary, to be obtained from any Person or Governmental Body to consummate the Contemplated Transactions; and (ii) causing the satisfaction of all conditions to the Closing; provided, however, that such action shall not include any requirement of Sellers or any of their Affiliates to pay money to any third party, commence or participate in any litigation or offer or grant any accommodation (financial or otherwise) to any third party.

(b) By the close of business on the first Business Day following the date of this Agreement, each of the Parties shall (or shall cause their ultimate parent entity to) file with the Federal Trade Commission (“FTC”) and the Antitrust Division of the Department of Justice (“DOJ”) any notifications and other information required to be filed under the HSR Act with respect to the Contemplated Transactions. Each Party warrants that all such filings by it will be, as of the date filed, true and accurate in all

material respects and in material compliance with the requirements of the HSR Act. Each of the Parties agrees to file any additional information requested by such agencies under the HSR Act, and, subject to Section 8.2, to cooperate with and make available to the other Party such information as each of them may reasonably request relative to its business, assets and property as may be required of each of them to file such additional information. Each Party shall, subject to applicable Laws relating to access to and the exchange of information, use reasonable best efforts to promptly inform the other Party of any communication received by, or given by, such Party from or to, as the case may be, the FTC, DOJ or any other Governmental Body regarding the Contemplated Transactions. Each of the Parties shall use its reasonable best efforts to take such action as may be required, including responding to any Request for Additional Information or Documentary Material received by the FTC or DOJ pursuant to the HSR Act and actions relating to the same, to cause the expiration of the waiting periods or the receipt of approval decisions under the HSR Act with respect to the Contemplated Transactions as promptly as reasonably practicable. Each Party shall consult with the other Party in advance with respect to, and permit the other Party to review in advance, any proposed correspondences, filings or communications by such Party with any Governmental Body or members of its staff and provide the other Party with a copy of all correspondences or communications from any Governmental Body or members of its staff. No Party shall agree to participate in any meeting or conference with any Governmental Body in respect of any filing, investigation or other inquiry unless it consults with the other Party in advance and, to the extent permitted by such Governmental Body, gives the other Party the opportunity to attend and participate at such meeting or conference. Buyer and Sellers shall equally share all filing fees under the HSR Act with respect to the Contemplated Transactions.

(c) By the close of business on the first Business Day following the date of this Agreement, Buyer shall (or shall cause Acadia to) file with the Arkansas State Board of Health any notifications and other information required to be filed with respect to the Contemplated Transactions. Each of the Parties agrees to file any additional information requested by such agency, and, subject to Section 8.2, to cooperate with and make available to the other Party such information as each of them may reasonably request relative to its business, assets and property as may be required of each of them to file such additional information. Each Party shall, subject to applicable Laws relating to access to and the exchange of information, use reasonable best efforts to promptly inform the other Party of any communication received by, or given by, such Party from or to, as the case may be, the Arkansas State Department of Health. Each of the Parties shall use its reasonable best efforts to take such action as may be required to cause the expiration of the waiting periods or the receipt of approval decisions from the Arkansas State Department of Health with respect to the Contemplated Transactions as promptly as reasonably practicable.

7.3 Operations Prior to the Closing. Except as contemplated by this Agreement or as set forth in **Schedule 7.3** or consented to in writing by Buyer, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, Sellers shall, and shall cause the Group Companies to: (i) except as may be prohibited by Section 7.3(b), conduct the Business in the ordinary course of business; and (ii) use commercially reasonable efforts to maintain in all material respects each Group Company's assets, properties and business organizations and current relationships and goodwill with its respective customers, suppliers and payors.

(b) From the date of this Agreement until the earlier of the Closing or the termination of this Agreement, Sellers shall not permit any of the Group Companies to:

(i) excluding the issuance of AmiCare Units pursuant to the exercise of outstanding Options, issue, sell, pledge or encumber, or authorize the issuance, sale, pledge or encumbrance of, any Units or issue, sell, pledge or encumber or authorize the issuance, sale, pledge or encumbrance of, any securities convertible into or exchangeable for, or options with respect to, or warrants to purchase or any other rights to subscribe for or acquire, any Units;

(ii) effect any recapitalization, reclassification, dividend, split, combination or like change in its capitalization;

(iii) amend or restate its certificate of formation or operating agreement (or similar organizational documents);

(iv) (A) enter into any collective bargaining agreement or similar agreement; (B) establish, adopt, enter into, amend, terminate, exercise any discretion under, or take any action to accelerate rights under, any Benefit Plan, except as required by applicable Law; (C) increase, or make any new commitment to increase, the amount of any salaries, bonuses or other compensation (including equity-based compensation) payable to any of its managers, directors, officers or employees, other than in the ordinary course of business or pursuant to contracts in effect on the date hereof; or (D) enter into any new or amend any employment, severance, retention or change in control agreement with any past or present manager, director, officer or employee;

(v) change any method of accounting or accounting practice or policy used by any Group Company, other than such changes required by GAAP;

(vi) other than in the ordinary course of business or as required by Tax Law, (A) make, change or rescind any election relating to Taxes, (B) settle or compromise any material Tax controversy or forgo any right to a refund of Tax previously paid, (C) amend, refile or otherwise revise any previously filed Tax Return, (D) request a ruling, closing agreement, or similar determination relating to material Taxes, or (E) enter into or terminate any agreement with a Tax Authority or other third party relating to material Taxes;

(vii) permit or allow any of the assets or properties of the Group Companies to become subjected to any Encumbrance, other than Permitted Encumbrances and Encumbrances that will be released at or prior to Closing;

(viii) sell, transfer, lease, sublease, license or otherwise dispose of any material properties or assets (real, personal or mixed, including intangible property) of the Group Companies, other than in the ordinary course of business;

(ix) merge or consolidate with any Person, or acquire an interest in any Person or acquire a substantial portion of the assets or business of any Person or any division or line of business thereof, other than in the ordinary course of business;

(x) make any capital expenditure or commitment for any capital expenditure in excess of $100,000, except for capital expenditures that are set forth in **Schedule 7.3**;

(xi) enter into, amend the terms of, relinquish any material right under or terminate any Material Contract other than in the ordinary course of business;

(xii) waive, compromise or release any material rights, or cancel any material third party indebtedness owed to the Group Companies;

(xiii) institute, settle, release waive or compromise any pending or threatened Proceeding involving (A) the payment of monetary damages by the Group Companies in excess of $100,000 or (B) injunctive or similar relief having a restrictive impact on the business of the Group Companies; or

(xiv) agree to take any of the actions specified in Sections 7.3(b)(i) through (xiii), except as contemplated by this Agreement.

7.4 Notification. Sellers, on the one hand, and Buyer, on the other hand, shall give prompt notice to the other of: (a) any notice or other communication from any Governmental Body or party to a Material Contract alleging that the consent of such third party is or may be required in connection with the Contemplated Transactions; (b) any Group Companies Material Adverse Effect or the occurrence of any event or events which, individually or in the aggregate, constitutes a Group Companies Material Adverse Effect; or (c) the occurrence or non-occurrence of any event that is reasonably likely to result in the failure of any condition to the Closing or that indicates that any of the representations and warranties contained in this Agreement will not be, or are not, true and correct in all material respects.

7.5 Updated Schedules. Concurrently with the execution and delivery of this Agreement, Sellers have delivered to Buyer the Schedules to this Agreement. From and after the date of this Agreement until the earlier of the termination of this Agreement or the Closing Date, Sellers may prepare and deliver to Buyer supplements and/or amendments to the Schedules, which may contain additional Sections that are not in existence as of the date hereof relating to any of the provisions contained in Article IV or V, with respect to matters first arising after the date hereof (each, an "Update"), and each such Update shall be deemed to be an amendment to

this Agreement for all purposes hereof other than for purposes of the conditions set forth in Section 9.1; provided that, in the event that the disclosure of the facts, circumstances and events included in such Update would give Buyer the right to elect to terminate this Agreement pursuant to Section 12.1(b) if the 30-day cure period described therein had lapsed and Buyer does not make such election within five (5) Business Days of its receipt of such Update, such Update shall be deemed to be an amendment to this Agreement for all purposes hereof, including with respect to the conditions set forth in Section 9.1. Notwithstanding the above, no update shall prejudice Buyer's rights to indemnification under Sections 11.1(a)(iii)-(v).

7.6 Exclusivity. During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, Sellers shall not take, nor shall it permit any of its Affiliates or Representatives to take, any action to solicit, encourage, initiate or engage in discussions or negotiations with, or provide any information to, or enter into any agreement with, any Person (other than Buyer and/or its Affiliates and Representatives) concerning any direct or indirect acquisition of all or substantially all of the Units or assets of any Group Company, or any merger, consolidation or other business combination involving any Group Company (each, an "Acquisition Transaction"), and Sellers and their Affiliates and Representatives shall immediately cease and cause to be terminated all existing discussions, negotiations and other communications with any Person (other than Buyer and its Affiliates and Representatives) with respect to any such Acquisition Transaction; provided, however, that Buyer hereby acknowledges that prior to the date of this Agreement, Sellers and their Affiliates and Representatives have provided information relating to the Group Companies and has afforded access to, and engaged in discussions with, other Persons in connection with a proposed Acquisition Transaction and that such information, access and discussions could reasonably enable another Person to form a basis for an Acquisition Transaction without any breach by Sellers of this Section 7.6. During the period from the date of this Agreement through the earlier of the Closing or the termination of this Agreement in accordance with its terms, Sellers shall notify Buyer promptly upon the receipt of any proposal, offer, inquiry or contact from any Person (other than Buyer or its Affiliates and Representatives) in respect of any Acquisition Transaction.

7.7 Additional Agreements. Buyer and the Sellers shall perform the agreements contained in **Schedule 7.7**.

7.8 Risk of Loss. From the date hereof until the Closing Date, in the event that there is any damage to or loss of any of the assets of a Group Company in excess of One Hundred Thousand Dollars ($100,000) (whether by fire, theft, vandalism or other cause or casualty), the Purchase Price shall be reduced by the amount necessary to repair the damage ("Damage Repair Amount"), which reduction shall be offset by any amounts paid by any Group Company's insurance company and assigned to Buyer and received by Buyer by the Closing Date; provided, however, in the event of a casualty constituting a Group Companies Material Adverse Effect, Buyer, at its sole option, may elect to terminate this Agreement in its entirety. If Sellers and Buyer are unable to agree as to the Damage Repair Amount, then such amount shall be determined by an MAI appraiser to be mutually selected and paid equally by Sellers and Buyer. If Sellers and Buyer are unable to mutually select an appraiser, then one MAI appraiser shall be selected and paid by Buyer and one MAI appraiser shall be selected and paid by Sellers. If a party does not select an appraiser as provided in the preceding sentence within ten (10) days after

the other party has given notice of the name of its appraiser, such party shall lose its right to appoint an appraiser. If the two appraisers are selected by the parties as provided above, they shall meet promptly to determine the reduction in Purchase Price. If they are unable to agree within fifteen (15) days after the second appraiser has been selected, they shall jointly select a third MAI appraiser. The reduction in Purchase Price shall be set by agreement of any two of the three appraisals. If the two appraisers are unable to agree on a third appraiser within thirty (30) days after the second appraiser has been selected, either party, by giving written notice to the other, may apply to the American Arbitration Association for the purpose of determining the reduction in Purchase Price. Sellers and Buyer shall each bear one-half (1/2) of the cost of selecting the third appraiser and of paying the third appraiser's fee. The third appraiser, however selected, shall be a person who has not previously acted in any capacity for any Party. If any two appraisers are unable to determine the reduction in Purchase Price within fifteen (15) days after the third appraiser has been selected, then the two appraisals that are closest shall be added together and their total divided by two; the resulting quotient shall be the reduction in Purchase Price (the third appraisal farthest from the remaining two shall be ignored). In determining the reduction in Purchase Price, each appraiser shall take into consideration, understand, and correctly employ those recognized techniques that are necessary to produce a credible appraisal.

7.9 Condemnation. From the date hereof until the Closing Date, in the event that there is any condemnation of any of the assets of a Group Company in excess of One Hundred Thousand Dollars ($100,000), the Purchase Price shall be reduced by the amount of such condemnation proceeds but the reduction shall be offset by any amounts received by Buyer for such condemnation; provided, however, in the event of any pending, threatened or contemplated condemnation or eminent domain proceeding which constitutes a Group Companies Material Adverse Effect, Buyer at its sole option, may elect to terminate this Agreement in its entirety.

7.10 Options Cash Out. Sellers shall cause AmiCare to exercise its right, pursuant to Section 4.2(d) of the 2007 Option Plan, (a) to cause all vested and unvested Options to be cancelled as of the Effective Time and (b) to convert all vested Options into the right to receive cash in the amount provided in the 2007 Option Plan.

ARTICLE VIII
ADDITIONAL AGREEMENTS

8.1 Tax Matters.

(a) Notwithstanding anything herein to the contrary, Buyer shall be liable for and pay, and shall indemnify Sellers against, any Transfer Taxes that may be imposed upon, or payable or collectible or incurred in connection with the Contemplated Transactions. Buyer shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and if required by applicable Law, Sellers will join in the execution of any such Tax Returns or other documentation.

(b) After the Closing, the Parties shall cooperate with each other by furnishing any additional information and executing and delivering any additional documents as

may be reasonably requested by such Parties in their preparation of any Tax Returns required to be filed by or with respect to the Group Companies. Such cooperation shall include access during normal business hours afforded to the Parties and their respective agents and Representatives to, and reasonable retention by such Parties of, Tax records related to the Group Companies, and making employees and agents (including auditors) of the Group Companies available on a reasonably convenient basis to provide additional information and explanation of any material provided hereunder.

(c) Except as set forth on **Schedule 8.1(c)**, neither Sellers nor any Affiliate of Sellers shall file or cause or permit to be filed any amended Tax Return or claims for refund with respect to the Group Companies or which include the Group Companies or grant or cause or permit to be granted any extension of any statute of limitation with respect to any Tax Returns for any Taxable Period or portion of any Straddle Period ending on or before the Closing Date without the prior written consent of the Buyer (which consent shall not be unreasonably withheld or delayed). None of Buyer, the Group Companies or any Affiliate of Buyer shall (or shall cause or permit any Group Company to) amend, refile or otherwise modify (or grant an extension of any statute of limitation with respect to) any Tax Return relating in whole or in part to any Group Company with respect to any Taxable Period or portion of any Straddle Period ending on or prior to the Closing Date without the prior written consent of Sellers (which consent shall not be unreasonably withheld, conditioned or delayed).

(d) Except for the federal and state income tax returns of AmiCare, which will be prepared and filed by Sellers, Buyer shall prepare or cause to be prepared, in a manner consistent with the most recent Tax Returns of the Group Companies and no position shall be taken, election made or method adopted that is inconsistent with positions taken, elections made or methods used in prior periods in filing such Tax Returns (unless Buyer determines there is no reasonable basis for such position, election or method), all Tax Returns of or with respect to the Group Companies that are required to be filed after the Closing Date for (i) all Taxable Periods ending on or prior to the Closing Date and (ii) all Straddle Periods; provided that Buyer shall deliver any such Tax Return to Sellers in the form proposed for filing at least thirty (30) Business Days prior to the due date thereof for review and approval by Sellers, which approval may not be unreasonably withheld, conditioned or delayed. Sellers shall notify Buyer of any requested changes to such returns within ten (10) Business Days of Sellers' receipt thereof. If Buyer objects to Sellers' requested changes, Buyer and Sellers will have five (5) Business Days to resolve such dispute prior to submitting the disputed portion of such return to the Accounting Firm for binding resolution prior to filing such Tax Return. The Accounting Firm will promptly review only those items and amounts specifically set forth in the requested change(s) and resolve the dispute with respect to each requested change. The fees and expenses of the Accounting Firm will be borne by Sellers and Buyer in the percentage inversely proportionate to the percentage of the total amount of the total items submitted for dispute that are resolved in such party's favor, or determined by the Accounting Firm. The decision of the Accounting Firm will be final, conclusive and binding on the parties. Buyer shall file or cause to be filed, within the time and in the manner required by applicable Law, such Tax Returns and pay or cause to be paid all Taxes due and owing by the Group Companies with respect to such Tax Returns, subject to the indemnification

provisions of Section 11.1. Buyer also shall prepare or cause to be prepared all Tax Returns required to be filed by or with respect to the Group Companies for all Taxable Periods beginning after the Closing Date, and file or cause to be filed, within the time and in the manner required by applicable Law, all such Tax Returns and pay or cause to be paid all Taxes due and owing with respect to such Tax Returns.

(e) In the case of Taxes that are payable with respect to a Straddle Period, the portion of any such Tax that is allocable to the portion of such Straddle Period ending on the Closing Date shall be:

(i) in the case of Taxes that are either (A) based upon or related to income or receipts or (B) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), deemed equal to the amount which could be payable if the Taxable Period ended on the Closing Date and the Parties shall elect to do so if permitted by applicable Law; and

(ii) in the case of Taxes imposed on a periodic basis with respect to the assets of any Group Company, or otherwise measured by the level of any item, deemed to be the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding Taxable Period), multiplied by a fraction the numerator of which is the number of days in the Straddle Period ending on the Closing Date and the denominator of which is the number of days in the entire Straddle Period.

(f) After the Closing Date, Buyer shall notify Sellers in writing within fifteen (15) Business Days of receiving notice of any proposed assessment or the commencement of any Tax audit or administrative or judicial proceeding or of any demand or claim on Buyer or any Group Company, that if determined adversely to the taxpayer or after the lapse of time, could be grounds for indemnification under Section 11.1. Such notice shall contain factual information (to the extent known to Buyer) describing the asserted Tax liability in reasonable detail and shall include copies of any notice or other document received from any Tax Authority in respect of any such asserted Tax liability. The failure to give notice as provided in this Section 8.1(f) shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

(i) In the case of a Tax audit or administrative or judicial proceeding (a "Contest") relating to any Group Company solely with respect to a Taxable Period ending on or prior to the Closing Date, Sellers shall have the sole right, at their expense, to control the conduct of such Contest; provided, that, in the event that any such Contest could result in an adjustment to Tax of any Group Company for a Taxable Period or portion of a Straddle Period ending after the Closing Date, Sellers (A) shall permit Buyer, at its expense, to participate in the proceeding solely with respect to an adjustment that might affect the Tax liability of Buyer or any Group Company for a Taxable Period ending after the Closing Date and (B) shall not settle or otherwise compromise such Contest without the prior

written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, except as may be required by Law, Sellers shall take no position that Buyer determines will result in any material negative Tax consequence to Buyer or the Group Companies after the Closing Date without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned, or delayed).

(ii) In the case of any other Contest relating to any Group Company, Buyer shall have the sole right, at Buyer's expense, to control the conduct of such Contest; provided, that, in the event that any such Contest could result in an adjustment to Tax of any Group Company for a Taxable Period or portion of a Straddle Period ending on or before the Closing Date for which Sellers could be liable pursuant to Section 11.1 hereof or otherwise, Buyer (A) shall permit Sellers, at Sellers' expense, to participate in the proceeding solely with respect to an adjustment that could affect the Tax liability of Sellers for a Taxable Period or portion of a Straddle Period ending on or before the Closing Date and (B) shall not settle or otherwise compromise such Contest without the prior written consent of Sellers, which consent shall not be unreasonably withheld, conditioned or delayed.

(g) For Tax purposes, unless otherwise required by applicable Law, the Parties agree to treat all payments made under any indemnity provisions contained in this Agreement, and any payments in respect of any breaches of representations, warranties, covenants or agreements hereunder, as adjustments to the Purchase Price.

(h) Buyer and Sellers agree that the Group Companies which are corporations shall become members of the federal income tax consolidated group of which Buyer is the common parent at the end of the day on the Closing Date and such corporations' federal income tax year shall end at the end of the day on the Closing Date. To the extent applicable, any state or local Income Tax Returns shall be prepared in accordance with provisions comparable to Treasury Regulations Section 1.1502-76(b) under state or local Law. The taxable year of all other Group Companies which are not corporations shall end as of the Closing Date, and all federal Income Tax Returns (and to the extent applicable, any state or local Income Tax Returns) shall be prepared accordingly.

(i) Any Tax refunds that are received by Buyer or any Group Company, and any amounts credited against Tax to which Buyer or any Group Company become entitled, that relate to Taxable Periods or portions of Straddle Periods ending on or before the Closing Date shall be for the account of Sellers, and Buyer shall pay or cause to be paid over to Sellers any such refund or the amount of any such credit within five (5) Business Days after receipt or entitlement thereto. Buyer will, and will cause the Group Companies to, execute such documents, take reasonable additional actions and otherwise reasonably cooperate as may be necessary for the Group Companies to perfect their rights in and obtain all Tax refunds and credits for which any such Person is eligible and to which Sellers is entitled. None of Buyer or Sellers shall, or shall permit any Group Company to, forfeit, fail to collect or otherwise minimize any Tax refund or credit to which Sellers would be entitled, whether through any election to carry forward a net operating loss or otherwise.

(j) Buyer and Sellers agree that the sale and purchase of AmiCare Units shall be treated for federal tax purposes, and any analogous state or local tax purposes, as a sale of the partnership interests of AmiCare by Sellers and the acquisition of the assets of AmiCare, including the assets of any Subsidiaries that are disregarded from AmiCare for federal Tax purposes, from Sellers by Buyer, as provided in Situation 2 of Revenue Ruling 99-6. Buyer shall prepare and deliver to Sellers at least ten (10) days prior to Closing, a schedule that allocates the Purchase Price among the assets of the Group Companies deemed purchased by Buyer. Such schedule shall be agreed upon by Buyer and Sellers and shall be set forth in **Schedule 8.1** (the "Purchase Price Allocation"). Except as required pursuant to a determination (as defined in Section 1313 of the Code or any similar provision of state or local Laws), each Party agrees to report the federal, state, local and other Tax consequences of the transactions contemplated by this Agreement in a manner consistent with such treatment and Purchase Price Allocation and shall not take any position inconsistent therewith upon examination of any Tax allocation and shall not take any position inconsistent therewith upon examination of any Tax Return, in any refund claim, or in any litigation, investigation, or otherwise.

(k) Seller agrees to cause Pinewood Healthcare Realty, L.P. to make an election under Section 754 of the Code with its federal income Tax Return for the Taxable Period ending on the Closing Date, unless Buyer notifies Seller in writing not to make such election.

8.2 Confidentiality. The Parties hereto acknowledge and agree that all confidential information relating to Sellers, the Group Companies, Buyer or their respective Affiliates and businesses, including confidential matters consisting of "know-how," trade secrets, customer lists, details of contracts, pricing policies, operational and service methods, sales data, marketing plans or strategies, service development techniques or plans, business acquisition plans, new personnel acquisition plans, technical processes, designs and design projects and inventions (collectively, "Confidential Information") are valuable, special and unique assets of such Person to which the Confidential Information belongs and are, and upon the Closing will be, owned exclusively by such Person. Each Party agrees to, and agrees to use its reasonable best efforts to cause its directors, officers, employees, partners, Affiliates, agents, advisors (including accountants and legal counsel) and other representatives ("Representatives") to, treat the Confidential Information, together with any other confidential information furnished to Sellers or the Group Companies or their respective Affiliates by Buyer or its Affiliates, on the one hand, or to Buyer or its Affiliates by Sellers, the Group Companies or any of their respective Affiliates, on the other hand, as confidential and not to make use of such information for its own purposes or for the benefit of any other Person. To the extent the terms in this Section 8.2 conflict with the terms of the Confidentiality Agreement, dated as of September 5, 2012, between AmiCare and Buyer or its Affiliate (the "Confidentiality Agreement"), the terms of this Section 8.2 shall supersede the conflicting terms in the Confidentiality Agreement.`

8.3 Employment Matters.

(a) Buyer agrees that it and the Group Companies shall make COBRA continuation coverage (as described in Section 601 of ERISA) available for all individuals who are "M&A qualified beneficiaries" as such term is defined in Treasury Regulation Section 54.4980B-9 as a result of the Contemplated Transactions. Buyer agrees that, following the Closing Date, it will not take any action which would trigger liability for Sellers or any of its Affiliates under the WARN Act.

(b) Substantially all employees of the Group Companies shall continue to be employed by the Group Companies on an at will basis as of and following the Closing. All of the employees employed by the Group Companies after the Closing shall be referred to herein as "Acquired Employees."

(c) **Reserved**.

(d) From and after the Closing Date, Buyer shall cause all Acquired Employees to be granted credit for any service with Sellers and any Group Company earned prior to the Closing Date for purposes of benefit eligibility and vesting (but not benefit accrual). In addition, Buyer hereby agrees that Buyer shall cause all covered expenses incurred during the calendar year in which the Closing Date occurs by any Acquired Employee (or covered dependent thereof) to be taken into account for purposes of satisfying applicable deductible, coinsurance and maximum out-of-pocket provisions after the Closing Date for the remainder of such calendar year.

(e) Notwithstanding anything herein to the contrary, if requested by Buyer, Sellers hereby covenant and agree to amend, merge, terminate or take any other action with respect to the Benefit Plans, including but not limited to, causing any Benefit Plan to spin-off or transfer the accrued aggregate account balances of its employees to a plan or plans specified by Buyer; to take all steps necessary to accomplish such requests; to provide all the required notices to participants and appropriate Governmental Bodies; to adopt all necessary resolutions and Benefit Plan amendments in order to accomplish such requests; and to provide to Buyer satisfactory evidence of such actions.

8.4 Access to Records after Closing. For a period of six (6) years after the Closing Date, Sellers and their Affiliates and Representatives shall have reasonable access to all of the books and records of the Group Companies to the extent that such access may reasonably be required by Sellers in connection with any legitimate matter relating to or affected by the operations of the Group Companies prior to the Closing Date. Such access shall be afforded by Buyer upon receipt of reasonable advance notice and during normal business hours. Sellers shall be solely responsible for any costs or expenses incurred by it pursuant to this Section 8.4. If Buyer or any Group Company shall desire to dispose of any of such books and records prior to the expiration of such 6-year period, Buyer shall, prior to such disposition, give Sellers a reasonable opportunity, at Sellers' expense, to segregate and remove such books and records as Sellers may select.

8.5 Tail Insurance. On or before the Closing Date, Sellers shall have provided evidence reasonably satisfactory to Buyer that AmiCare has purchased fully-paid extended reporting period under AmiCare's existing general and professional liability policy to remain in

place for a period of at least three (3) years from the Effective Time (the "Tail Policy"). Buyer, any of its Affiliates reasonably determined by Buyer, and Sellers will be listed as additional insureds with respect to the Tail Policy. Buyer shall not cause or permit AmiCare to terminate or amend the Tail Policy or any coverage provided thereunder after the Effective Time. Sellers shall pay the premium for the Tail Policy.

8.6 Cost Reports.

(a) None of Buyer, the Group Companies or any Affiliate of Buyer shall (or shall cause or permit any Group Company to) amend, refile or otherwise modify (or grant an extension of any statute of limitation with respect to) any cost report filed with any Government Healthcare Program for any period ending on or before the Closing Date, including any such cost report filed after the Closing Date for such prior periods without the prior written consent of Sellers (which consent shall not be unreasonably withheld, conditioned or delayed).

(b) Buyer shall prepare or cause to be prepared, in a manner consistent with the most recent cost reports of the Group Companies, and no position shall be taken, election made or method adopted that is inconsistent with positions taken, elections made or methods used in prior periods in filing such cost reports (unless Buyer determines there is no reasonable basis for such position, election or method), all cost reports of or with respect to the Group Companies that are required to be filed after the Closing Date for (i) all Cost Report Periods ending on or prior to the Closing Date and (ii) all Cost Report Straddle Periods; provided that Buyer shall deliver any such cost report to Sellers in the form proposed for filing at least twenty (20) Business Days prior to the due date thereof for review and approval by Sellers, which approval may not be unreasonably withheld, conditioned or delayed. Sellers shall notify Buyer of any requested changes to such cost reports within ten (10) Business Days of Sellers' receipt thereof. If Buyer objects to Sellers' requested changes, Buyer and Sellers will have five (5) Business Days to resolve such dispute prior to submitting the disputed portion of such cost report to the Accounting Firm for binding resolution prior to filing such cost report. The Accounting Firm will promptly review only those items and amounts specifically set forth in the requested change(s) and resolve the dispute with respect to each requested change. The fees and expenses of the Accounting Firm will be borne by Sellers and Buyer in the percentage inversely proportionate to the percentage of the total amount of the total items submitted for dispute that are resolved in such party's favor, or determined by the Accounting Firm. The decision of the Accounting Firm will be final, conclusive and binding on the parties. Buyer shall file or cause to be filed, within the time and in the manner required by applicable Law, such cost reports.

(c) After the Closing Date, Buyer shall notify Sellers in writing within fifteen (15) Business Days of receiving notice of any proposed reopening of any cost report or of any demand or claim on Buyer or any Group Company, that if determined adversely to Buyer or any Group Company or after the lapse of time, could be grounds for indemnification under Section 11.1. Such notice shall contain factual information (to the extent known to Buyer) describing the asserted basis for reopening in reasonable detail and shall include copies of any notice or other document received from any

Governmental Body in respect of any such reopening. The failure to give notice as provided in this Section 8.6(b) shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

(i) In the case of a proposed cost report settlement, cost report reopening or administrative or judicial proceeding related to a cost report (a "Cost Report Contest") relating to any Group Company solely with respect to a Cost Report Period ending on or prior to the Closing Date, Sellers shall have the sole right, at their expense, to control the conduct of such Cost Report Contest; provided, that, in the event that any such Cost Report Contest could result in an adjustment to reimbursement of any Group Company for a Cost Report Period or portion of a Cost Report Straddle Period ending after the Closing Date, Sellers (A) shall permit Buyer, at its expense, to participate in the proceeding solely with respect to an adjustment that might affect the reimbursment of Buyer or any Group Company for a Cost Report Period ending after the Closing Date and (B) shall not settle or otherwise compromise such Cost Report Contest without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, except as may be required by Law, Sellers shall take no position that Buyer determines will result in any material negative consequence to Buyer or the Group Companies under any Government Healthcare Program after the Closing Date without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned, or delayed).

(ii) In the case of any other Cost Report Contest relating to any Group Company, Buyer shall have the sole right, at Buyer's expense, to control the conduct of such Cost Report Contest; provided, that, in the event that any such Cost Report Contest could result in an adjustment to payments made to any Group Company for a Cost Report Period or portion of a Cost Report Straddle Period ending on or before the Closing Date for which Sellers could be liable pursuant to Section 11.1 hereof or otherwise, Buyer (A) shall permit Sellers, at Sellers' expense, to participate in the proceeding solely with respect to an adjustment that could affect the liability of Sellers for payments to a Government Healthcare Program for a Cost Report Period or portion of a Cost Report Straddle Period ending on or before the Closing Date and (B) shall not settle or otherwise compromise such Cost Report Contest without the prior written consent of Sellers, which consent shall not be unreasonably withheld, conditioned or delayed.

8.7 Further Assurances. Each Party will use reasonable best efforts to take all further actions and execute and deliver all further documents that are necessary to carry out the intent and purposes of this Agreement and the Buyer Ancillary Agreements and Seller Ancillary Agreements.

8.8 Covenant Not to Compete. Sellers and their Affiliates hereby covenant and agree with Buyer and its Affiliates that, during the Non-Compete Period (as such term is defined below) and within the Non-Compete Area (as such term is defined below), they shall not directly

or indirectly, (a) acquire, lease, manage, consult for, serve as agent or subcontractor for, finance, invest in, own any part of or exercise management control over any in-patient psychiatric facility or business that provides services that are the same or similar to the services provided by any of the Facilities (a "Competing Business"); (b) solicit for employment or employ any person who is employed by the Group Companies as of the Closing Date or any Acquired Employee (other than general media advertisements of employment opportunities), or (c) disrupt or attempt to disrupt any past, present or reasonably foreseeable future relationship, contractual or otherwise between the Facilities, on the one hand, and any physician, physician group, or other healthcare provider with whom any Group Company contracts with in connection with the Facilities or make statements to the same that disparage Buyer and its Affiliates or their respective operations in any way. The "Non-Compete Period" shall commence on the Closing Date and terminate on the third anniversary of the Closing Date. The "Non-Compete Area" shall mean the area within State of Arkansas. Ownership of less than three percent (3%) of the stock of a publicly held company shall not be deemed a breach of this covenant. Notwithstanding the foregoing, the foregoing restrictions shall not preclude Sellers or any of their Affiliates from (A) acquiring, by asset or stock purchase, merger or otherwise, any entity or multiple facilities from an entity which engages in a Competing Business (the "Acquired Competing Business"), so long as (x) such acquisition is consummated not less than twelve (12) months following the Closing Date and (y) provided the gross revenue attributable to such Acquired Competing Business derived within the Non-Compete Area for the twelve (12) month period immediately preceding the date of the acquisition of such Acquired Competing Business comprises less than twenty-five percent (25%) of the gross revenue attributable to all businesses included in the Acquired Competing Business for the twelve (12) month period immediately preceding the date of the acquisition of such Acquired Competing Business, or (B) being acquired by asset or stock purchase, merger or otherwise, by any unaffiliated entity which engages in a Competing Business.

8.9 Enforceability. In the event of a breach of Section 8.8, Sellers and their Affiliates recognize that monetary damages shall be inadequate to compensate Buyer and its Affiliates, and Buyer and its Affiliates shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including attorney's fees) of securing such injunction to be borne by the breaching party. Nothing contained herein shall be construed as prohibiting Buyer and its Affiliates from pursuing any other remedy available for such breach or threatened breach. All parties hereby acknowledge the necessity of protection against the competition of Sellers and their Affiliates and that the nature and scope of such protection has been carefully considered by the parties. The period provided and the area covered are expressly represented and agreed to be fair, reasonable and necessary. The consideration provided for herein is deemed to be sufficient and adequate to compensate the Sellers and their Affiliates for agreeing to the restrictions contained in Section 8.8. If, however, any court determines that the forgoing restrictions are not reasonable, such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable.

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

Unless waived in accordance with this Article IX, the obligations of Buyer under this Agreement are subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

9.1 No Misrepresentation or Breach of Warranties.

(a) The representations and warranties of Sellers set forth in this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date (other than to the extent that the representation or warranty is expressly limited by its terms to another date, in which case the representation or warranty shall have been true and correct on that date), except for inaccuracies of representations and warranties the facts, events and circumstances giving rise to which would not constitute a Group Companies Material Adverse Effect.

(b) Buyer shall have received a certificate signed by a duly authorized officer of each Seller with respect to the representations and warranties contained in Article IV and Article V.

9.2 Performance of Obligations. Sellers shall have performed, in all material respects, all agreements and covenants required to be performed under this Agreement at or prior to the Closing Date, and Buyer shall have received a certificate signed by an authorized officer of each Seller, in such capacity, certifying to such effect.

9.3 No Material Adverse Effect. No event or events shall have occurred which, individually or in the aggregate, constitutes a Group Companies Material Adverse Effect.

9.4 No Restraint. The waiting period under the HSR Act shall have expired or been terminated, and no Governmental Body shall have enacted, issued, promulgated, enforced or entered any Law or order, writ, judgment, injunction, decree, stipulation, determination or award (whether temporary, preliminary or permanent) that has the effect of making the Contemplated Transactions illegal or otherwise restraining or prohibiting any Contemplated Transactions. No Proceeding shall have been instituted or threatened by or before a Governmental Body which seeks to enjoin, restrain, prohibit, materially delay or obtain damages in respect of any of the Contemplated Transactions, or which would reasonably be expected to prevent or make illegal any of the Contemplated Transactions.

9.5 Governmental Approvals. All authorizations, consents, approvals, orders and waivers of or by all Governmental Bodies necessary to consummate the Contemplated Transactions, which are required to be obtained prior to the Closing by applicable Law, shall have been obtained, other than those as to which the failure to possess would not constitute a Group Companies Material Adverse Effect.

9.6 Third-Party Consents. Sellers shall have obtained all third-party consents and approvals set forth in **Schedule 9.6**.

9.7 Seller Ancillary Agreements. Sellers shall have executed and delivered each of the Seller Ancillary Agreements to which it is a party.

9.8 Guarantys. Buyer shall have received a Guaranty executed by each of the Guarantors.

9.9 Manager Non-Compete. Buyer shall have received an agreement from each manager of AmiCare, and from each of Kimberly Bice, Catherine Naples, Kasey Naples and Courtney Riggs to be bound by the terms of the covenant not to compete set forth in Section 8.8 hereof.

9.10 Waiver of Closing Conditions. Notwithstanding the failure of any one or more of the foregoing conditions, Buyer may proceed with the Closing without satisfaction, in whole or in part, of any one or more of such conditions. To the extent that Sellers deliver to Buyer a written notice specifying in reasonable detail the failure of any of such conditions or the breach by of any of the representations or warranties of Sellers contained herein, and nevertheless Buyer proceeds with the Closing, Buyer shall be deemed to have waived for all purposes any rights or remedies it may have against the by reason of the failure of any such conditions or the breach of any such representations or warranties to the extent described in such notice.

ARTICLE X
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

The obligations of Sellers under this Agreement are subject to the satisfaction or to the waiver by Sellers, on or prior to the Closing Date, of each of the following conditions:

10.1 No Misrepresentation or Breach of Warranties.

(a) The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, as though made on and as of the Closing Date (other than to the extent that the representation or warranty is expressly limited by its terms to another date, in which case the representation or warranty shall have been true and correct on that date), except where the failure to be so true and correct (without regard to any materiality qualifiers therein) would not constitute a material adverse effect on the ability of Buyer to consummate the Contemplated Transactions.

(b) Sellers shall have received a certificate signed by a duly authorized officer of Buyer, in such capacity, certifying to such effect.

10.2 Performance of Obligations. Buyer shall have performed, in all material respects, all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date, and Sellers shall have received a certificate signed by an authorized officer of Buyer, in such capacity, certifying to such effect.

10.3 No Restraint. The waiting period under the HSR Act shall have expired or been terminated, and no Governmental Body shall have enacted, issued, promulgated, enforced or entered any Law or order, writ, judgment, injunction, decree, stipulation, determination or award (whether temporary, preliminary or permanent) that has the effect of making the Contemplated Transactions illegal or otherwise restraining or prohibiting any Contemplated Transactions. No Proceeding shall have been instituted or threatened by or before a Governmental Body which seeks to enjoin, restrain, prohibit, materially delay or obtain damages in respect of any of the Contemplated Transactions, or which would reasonably be expected to prevent or make illegal any of the Contemplated Transactions.

10.4 Governmental Approvals. All authorizations, consents, approvals, orders and waivers of or by all Governmental Bodies necessary to consummate the Contemplated Transactions, which are required to be obtained prior to the Closing by applicable Law shall have been obtained.

10.5 Third Party Consents. Sellers shall have obtained all third-party consents and approvals set forth in **Schedule 9.6**.

10.6 Buyer Ancillary Agreements. Buyer shall have executed and delivered each of the Buyer Ancillary Agreements to which it is a party.

10.7 Waiver of Closing Conditions. Notwithstanding the failure of any one or more of the foregoing conditions, Sellers may proceed with the Closing without satisfaction, in whole

or in part, of any one or more of such conditions and without written waiver. To the extent that at the Closing, Buyer delivers to Sellers a written notice specifying in reasonable detail the failure of any of such conditions or the breach by Buyer of any of the representations or warranties of Buyer contained herein, and nevertheless Seller proceeds with the Closing, Sellers shall be deemed to have waived for all purposes any rights or remedies they may have against Buyer by reason of the failure of any such conditions or the breach of any such representations or warranties to the extent described in such notice.

ARTICLE XI
INDEMNIFICATION

11.1 Indemnification by Sellers.

(a) From and after the Closing, subject to the limitations in Sections 11.1(b) and (c) and the other provisions in this Article XI, Sellers, jointly and severally, agree to indemnify, defend and hold harmless each Buyer Group Member from and against any and all Losses incurred by such Buyer Group Member in connection with or arising from:

(i) any breach of any warranty or the inaccuracy of any representation of Sellers contained in Article IV or Article V of this Agreement (as modified by the Schedules) or in the certificate delivered by or on behalf of Sellers to Buyer pursuant to Section 9.1 of this Agreement;

(ii) any breach by Sellers of, or failure by Sellers to perform, any of Sellers' covenants or obligations contained in this Agreement;

(iii) any settlement, adjustment, disallowance, overpayment, set off against future payments or reimbursement, or recoupment (collectively, an "Adjustment") arising from or related to (x) any cost report filed with any Government Healthcare Program for any period ending on or before the Closing Date, including any such cost report filed after the Closing Date for such prior periods (provided, for the avoidance of doubt, that Sellers will not be liable for or indemnify any Buyer Group Member for an Adjustment to the extent such Adjustment relates to periods after the Closing), and (y) any demand for return of all or part of payments made in any period on or before the Closing Date by any Government Healthcare Program, whether by the Government Healthcare Program or a contractor (including any Medicare administrative contractor, Medicare program safeguard contractor, Medicare recovery audit contractor, or Medicaid recovery audit contractor) acting on behalf of a Government Healthcare Program;

(iv) any Taxes imposed upon or payable by any of the Group Companies for any Taxable Period, or portion of any Straddle Period, ending on or prior to the Closing Date; provided, however, Sellers shall be liable only to the extent that such Taxes are in excess of the aggregate amount, if any, reserved for such Taxes on the Closing Date Balance Sheet and shall be liable for any Taxes imposed on any Group Company or for which any Group Company may otherwise be liable

as a result of transactions occurring on the Closing Date that are properly allocable (based on, among other relevant factors, factors set forth in Treas. Reg. § 1.1502-76(b)(1)(ii)(B)) to the portion of the Closing Date after the Closing; or

(v) any Excluded Liability.

(b) Notwithstanding the foregoing, Sellers shall only be required to indemnify a Buyer Group Member for Losses incurred by such Buyer Group Member to the extent that:

(i) any particular Loss equals or exceeds Five Thousand Dollars ($5,000);

(ii) under Section 11.1(a)(i) and/or Section 11.1(a)(ii), the aggregate amount of Losses exceeds Five Hundred Thousand Dollars ($500,000) (the "Deductible") (it being understood that Sellers shall be liable for the full amount of the Losses, including the Deductible amount); provided that the Deductible shall not apply to claims (x) for breaches of Section 4.2 (Authorization, Validity and Effect of Agreement), Section 4.4 (Title to Units), Section 5.2 (Capitalization), Section 5.7 (Taxes), Section 8.1 (Tax Matters) or claims for fraud, or (y) arising under Sections 11.1(a)(iii) – (v); and

(iii) the aggregate amount required to be paid or indemnified by Sellers pursuant to Section 11.1(a)(i),(ii) and/or (iii) shall not exceed $7,500,000.00 (the "Cap"), and shall be recoverable first by the Buyer Group Member from the Escrow Amount unless such Escrow Amount has been depleted or released to Seller, in which case, such indemnity amount may be recovered from Sellers or from the guarantors under the Guaranties; provided that the Cap shall not apply to claims (x) for breaches of Section 4.2 (Authorization, Validity and Effect of Agreement), Section 4.4 (Title to Units), Section 5.2 (Capitalization), Section 5.7 (Taxes), Section 8.1 (Tax Matters) or claims for fraud, or (y) arising under Sections 11.1(a)(iv) – (v).

(c) The indemnification provided for in Section 11.1(a) shall terminate on the Escrow Release Date (and no claims shall be commenced by any Buyer Group Member under Section 11.1(a)(i) thereafter), provided that the indemnification provided for in Section 11.1(a)(i) as it relates to claims for breaches of Section 4.2 (Authorization, Validity and Effect of Agreement), Section 4.4 (Title to Units), Section 5.2 (Capitalization), Section 5.7 (Taxes), Section 5.8 (Governmental Permits), Section 5.10 (Health Care Regulatory Matters), Section 5.17 (Employee Benefits), Section 5.19 (Environmental Matters) and the indemnification provided for in Sections 11.1(a)(iii)-(v), shall terminate upon the earlier of the expiration of the statute of limitations related thereto and four years after the Closing (and no claims shall be commenced by any Buyer Group Member thereunder thereafter), and the indemnification provided for in Section 11.1(a)(ii) as it relates to covenants shall terminate upon the earlier of the expiration of the period specified in the covenant or the expiration of the applicable statute of limitations (and no claims shall be commenced by any Buyer Group Member thereunder thereafter). Notwithstanding the foregoing, the indemnification by Sellers shall continue

as to any Losses of which any Buyer Group Member has validly given a Claim Notice to Sellers in accordance with the requirements of Section 11.3 on or prior to the date such indemnification would otherwise terminate in accordance with this Section 11.1(c), as to which the obligation of Sellers shall continue solely with respect to the specific matters in such Claim Notice until the liability of Sellers shall have been determined pursuant to this Article XI, and Sellers shall have reimbursed all Buyer Group Members for the full amount of such Losses that are payable with respect to such Claim Notice in accordance with this Article XI.

11.2 Indemnification by Buyer.

(a) Buyer agrees to indemnify, defend and hold harmless each Seller Group Member from and against any and all Losses incurred by such Seller Group Member in connection with or arising from:

(i) any breach of any warranty or the inaccuracy of any representation of Buyer contained in Article VI or in the certificate delivered by Buyer to Sellers pursuant to Section 10.1 of this Agreement;

(ii) any breach by Buyer of, or failure by Buyer to perform, any of its covenants and obligations contained in this Agreement; or

(iii) any Taxes imposed upon or payable by any of the Group Companies for any Taxable Period (or portion thereof) that begins after the Closing Date or the portion of any Straddle Period after the Closing Date.

(b) The indemnification provided for in Section 11.2(a) shall terminate on the Escrow Release Date (and no claims shall be commenced by any Seller Group Member under Section 11.2(a) thereafter), provided that the indemnification provided for in Section 11.2(a)(i) as it relates to Section 6.2 (Authority, Validity and Effect of Agreement) shall terminate upon the expiration of the statute of limitations related thereto, and the indemnification provided for in Section 11.2(a)(ii) as it relates to covenants shall terminate on the earlier to occur of the expiration of the period specified in the covenant or the expiration of the applicable statute of limitations (and no claims shall be commenced by any Seller Group Member under Section 11.2(a)(ii) thereafter). The indemnification by Buyer shall continue as to any Losses of which any Seller Group Member has validly given a Claim Notice to Buyer in accordance with the requirements of Section 11.3 on or prior to the date such indemnification would otherwise terminate in accordance with this Section 11.2(b), as to which the obligation of Buyer shall continue solely with respect to the specific matters in such Claim Notice until the liability of Buyer shall have been determined pursuant to this Article XI, and Buyer shall have reimbursed Seller for the full amount of such Losses that are payable with respect to such Claim Notice in accordance with this Article XI.

11.3 Notice of Claims. Any Person seeking or intending to seek indemnification hereunder (the "Indemnified Party") shall give promptly to the Party or Parties obligated to provide indemnification to such Indemnified Party (each, the "Indemnitor") a written notice (a

"Claim Notice") describing in reasonable detail the facts giving rise to the claim for indemnification hereunder and shall include in such Claim Notice (if then known) the amount or the method of computation of the amount of such claim, and a reference to the provision of this Agreement or any other agreement, document or instrument executed hereunder or in connection herewith upon which such claim is based.

11.4 Resolution of Indemnifiable Claims. After the giving of any Claim Notice pursuant to Section 11.3, the amount of indemnification to which an Indemnified Party shall be entitled under this Article XI shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any court of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of Losses suffered by it. Once a Loss is payable pursuant to this Section 11.4, the Indemnitor shall satisfy its obligations by wire transfer of immediately available funds to an account designated in writing by the Indemnified Party, provided that, in the event that Sellers are required to indemnify any Buyer Group Member, such payment shall be satisfied solely by withdrawals from the Escrow Amount in accordance with Section 2.1 and the terms and conditions of the Escrow Agreement.

11.5 Third Party Claims.

(a) Any Indemnified Party seeking or intending to seek indemnification under this Agreement in respect of, arising out of or involving any claim, action, demand or Proceeding made by any Person who is not a Party or Affiliate thereof (a "Third Party Claim") against the Indemnified Party shall promptly give a Claim Notice to the Indemnitor(s) with respect to the Third Party Claim. Thereafter, the Indemnified Party shall promptly deliver to the Indemnitor, after the Indemnified Party's receipt thereof, copies of all notices, pleadings, demands and documents received by the Indemnified Party or its Affiliates or Representatives relating to the Third Party Claim. The failure to give notice as provided in this Section 11.5 shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been prejudiced by such failure.

(b) In the event of a Third Party Claim, the Indemnitor shall have the sole and absolute right, at its election (within twenty (20) Business Days following its receipt of Claim Notice from the Indemnified Party with respect to such Third Party Claim) and at its expense, to control, defend against, negotiate, settle or otherwise deal with such Third Party Claim using counsel of its choice; provided, however, that the Indemnified Party may participate in any such proceeding with counsel of its choice and at its sole expense. The Indemnitor shall not settle or otherwise compromise any such Third Party Claim without the consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed) if the settlement does not include as a term thereof the giving by the Person(s) asserting such Third Party Claim to the Indemnified Party of a release from all liability with respect to such Third Party Claim. If the Indemnitor does not so elect to undertake the defense of such Third Party Claim, the Indemnified Party shall have the right to undertake the defense against the Third Party Claim; provided, that

the Indemnified Party shall not settle or otherwise compromise any such Third Party Claim without the consent of the Indemnitor (which consent shall not be unreasonably withheld, conditioned or delayed). The Parties agree to cooperate fully with each other in connection with the defense, negotiation or settlement of any such Third Party Claim.

(c) To the extent of any inconsistency between this Section 11.5 and Section 8.1(f) (relating to Tax Contests), the provisions of Section 8.1(f) shall control with respect to Tax Contests.

11.6 Determination of Indemnification Amounts.

(a) The amount of any and all Losses under this Article XI shall be determined net of (i) any Tax benefits realized by any Indemnified Party arising from the deductibility of any such Losses and (ii) any amounts actually received by the Indemnified Party under insurance policies, indemnities, warranties or other reimbursement arrangements with respect to such Losses. Each Party hereby waives, to the extent permitted under its applicable insurance policies, any subrogation rights that its insurer may have with respect to any indemnifiable Losses and agrees, promptly following such other Party's request, to file any applicable insurance claims and will take all reasonable necessary, proper or desirable actions (including the execution and delivery of any document reasonably requested) to accomplish the foregoing.

(b) In any case where an Indemnified Party recovers from third Persons any amount in respect of a matter with respect to which an Indemnitor has indemnified it pursuant to this Article XI, such Indemnified Party shall promptly pay over to the Indemnitor the amount so recovered (after deducting therefrom the amount of reasonable expenses incurred by the Indemnified Party in procuring such recovery), but not in excess of the sum of (i) any amount previously so paid by the Indemnitor to or on behalf of the Indemnified Party in respect of such matter and (ii) any amount expended by the Indemnitor in pursuing or defending any claim arising out of such matter.

(c) Each of the Parties agrees to take all reasonable steps to mitigate their respective Losses (including using commercially reasonable efforts to recover under applicable insurance policies or other indemnities and incurring costs only as reasonably necessary to remedy the breach that gives rise to such Loss) upon and after becoming aware of any event or condition which could reasonably be expected to give rise to any Losses that are indemnifiable hereunder.

(d) No Buyer Group Member shall have any right to indemnification pursuant to this Article XI with respect to any Loss or alleged Loss if such matter was included on the Closing Date Balance Sheet or Buyer received a reduction in the Purchase Price pursuant to Article II.

(e) Any indemnification payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes.

(f) For purposes of calculating the amount of any Losses incurred arising out of or relating to a breach or an inaccuracy, no effect shall be given to any materiality or Material Adverse Effect qualification provided in any representation or warranty of Sellers or Buyer.

11.7 Exclusive Remedy. Buyer acknowledges and agrees that, from and after the Closing, its sole and exclusive remedy against Sellers with respect to any and all claims relating (directly or indirectly) to the subject matter of this Agreement or the Contemplated Transactions shall be pursuant to the indemnification provisions set forth in this Article XI.

ARTICLE XII
TERMINATION

12.1 Termination. Anything contained in this Agreement to the contrary notwithstanding, this Agreement may be terminated at any time prior to the Closing Date:

(a) by the mutual written consent of Buyer and Sellers;

(b) by Buyer (but only so long as Buyer is not in material breach of its obligations under this Agreement) if there has been a material breach of any representation, warranty, covenant or agreement of Sellers, which breach would result in the failure of one or more of the conditions to Closing set forth in Article IX, and which failure or breach is not cured within thirty (30) days after Buyer has notified Sellers of such breach and Buyer's intention to terminate this Agreement pursuant to this Section 12.1(b);

(c) by Sellers (but only so long as Sellers are not in material breach of any of their obligations under this Agreement) if there has been a material breach of any representation, warranty, covenant or agreement of Buyer, which breach would result in the failure of one or more of the conditions to Closing set forth in Article X, and which failure or breach is not cured within thirty (30) days after Sellers have notified Buyer of such breach and Sellers' intention to terminate this Agreement pursuant to this Section 12.1(c);

(d) by either Sellers or Buyer in the event any Governmental Body shall have enacted, issued, promulgated, enforced or entered any Law or order, writ, judgment, injunction, decree, stipulation, determination or award that has the effect of making the transactions Contemplated Transactions illegal or otherwise restraining or prohibiting any Contemplated Transaction; or

(e) by either Sellers or Buyer if the Closing shall not have occurred on or before December 31, 2012.

12.2 Notice of Termination. Any Party desiring to terminate this Agreement pursuant to Section 12.1 shall give prior written notice of such termination to the other Party to this Agreement.

12.3 Effect of Termination. If this Agreement shall be terminated pursuant to this Article XII, all further obligations of the Parties under this Agreement shall be terminated without further liability of any Party to the other, with the exception of (i) Sections 8.2, 13.1, 13.9, 13.12 and 13.13, and (ii) any liability of any Party for his, her or its willful breach of this Agreement.

ARTICLE XIII
GENERAL PROVISIONS

13.1 No Public Announcement. None of the Parties or their Affiliates will issue any press release or make any public announcement with respect to the Contemplated Transactions without the prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of Buyer (with respect to disclosures by Sellers) or Sellers (with respect to disclosures by Buyer), except to the extent that the disclosing Party determines in good faith that it is so obligated by applicable Law, in which case such disclosing Party shall give notice to Buyer or Sellers (as applicable) in advance of such Party's intent to make such disclosure, announcement or issue such press release and the applicable Parties hereto or their Affiliates shall use reasonable efforts to cause a mutually agreeable release or disclosure or announcement to be issued; provided, however, that the foregoing shall not preclude communications or disclosures necessary to implement the provisions of this Agreement.

13.2 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be delivered personally, by facsimile, by reputable overnight courier (costs prepaid), or by U.S. registered or certified mail (return receipt requested and postage prepaid), and shall be deemed given or made when (i) delivered personally, (ii) the Business Day sent (or next Business Day if not sent on a Business Day or not sent during normal business hours of the recipient) if sent by facsimile with receipt confirmation, (iii) one (1) Business Day after delivery to the overnight courier for next Business Day delivery, and (iv) three (3) Business Days after being sent by registered or certified mail, at the following address:

If to Buyer, to:

Acadia Healthcare Company, Inc.
830 Crescent Centre Drive, Suite 610
Franklin, Tennessee 37067
Attention: General Counsel
Facsimile: (615) 261-9685

with a copy (which shall not constitute notice) to:
Waller Lansden Dortch & Davis, LLP
511 Union Street, Suite 2700
Nashville, Tennessee 37219
Attention: E. Brent Hill
Facsimile: (615) 244-6804

If to Sellers, to:

2C4K, L.P.,
ARTC Acquisitions, Inc.
6930 Summerhill Road
Texarkana TX 75503
Attention: Susan E. Naples
Facsimile: 903-792-6638

with a copy (which shall not constitute notice) to:
Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C.
211 Commerce Street, Suite 800
Nashville, Tennessee 37201
Attention: Ashby Q. Burks
Facsimile: (615) 744-5626

or to such other address as such Party may indicate by a notice given to the other Parties at least five (5) Business Days in advance in accordance with this Section 13.2.

13.3 Successors and Assigns; Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns; provided, however, that no Party to this Agreement may assign its rights by operation of law or otherwise or delegate its obligations under this Agreement without the express prior written consent of, in the case of an assignment by Buyer, Sellers, and, in the case of Sellers, Buyer; provided, however, that Buyer shall have the right at any time, without such consent, to assign, in whole or in part, its rights hereunder and under any Buyer Ancillary Agreement to any of its Affiliates and to any lender providing financing to Buyer or any of its Affiliates for collateral security purposes; provided, further, that any such assignment in accordance with this Section 13.3 shall not relieve the assigning Party of any of its obligations hereunder.

13.4 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their successors and permitted assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

13.5 Entire Agreement. This Agreement, together with the Exhibits and Schedules referred to herein, the documents delivered pursuant hereto and the Confidentiality Agreement contain the entire agreement of the Parties with regard to the subject matter contained herein or therein, and supersede all other prior representations, warranties, agreements, understandings or letters of intent between or among any of the Parties. Each Party hereto acknowledges that in entering into and executing this Agreement, such Party relied solely upon the representations, warranties and agreements contained in this Agreement and no others.

13.6 Amendments. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by Buyer, each of the Sellers and the Representative.

13.7 Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party or Parties entitled to the benefit thereof; provided that any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any Party, it is authorized in writing by such Party or an authorized

representative of such Party. The failure of any Party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

13.8 Exhibits and Schedules. All Exhibits and Schedules or other documents expressly incorporated into this Agreement, are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. Any matter, fact or item disclosed in any section or paragraph of the Schedules shall be considered disclosed with respect to such other section or paragraph of the Schedules or this Agreement, as the case may be, if the relevance of such disclosure to such other section or paragraph is reasonably apparent. Neither the specification of any dollar amount in any representation or warranty contained in this Agreement nor the inclusion of any specific item in any section or paragraph of the Schedules is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, or are or are not in the ordinary course of business, and no Party shall use the fact of the setting forth of any such amount or the inclusion of any such item in any dispute or controversy between the Parties as to whether any obligation, item or matter not described herein or included in any section or paragraph of the Schedules is or is not material for purposes of this Agreement, or is or is not in the ordinary course of business.

13.9 Expenses. Except as expressly set forth herein, whether or not the Closing occurs, each Party will pay all fees and expenses incurred by such Party in connection with the negotiation and preparation of this Agreement and the Contemplated Transactions, including the fees, expenses and disbursements of its counsel, financial advisors and accountants.

13.10 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable Laws, 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 provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

13.11 Execution in Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. A facsimile copy of a signature page shall be deemed to be an original signature page. This Agreement shall become binding when one or more counterparts have been signed by each of the Parties. The Parties may deliver executed signature pages to this Agreement by facsimile or e-mail transmission. No Party may raise (a) the use of a facsimile or email transmission to deliver a signature or (b) the fact that any signature, agreement or instrument was signed and subsequently transmitted or communicated through the use of a facsimile or e-mail transmission as a defense to the formation or enforceability of a contract, and each Party forever waives any such defense.

13.12 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware.

(b) Each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof shall be brought and determined in the United States federal courts located in Delaware, or if such legal action or proceeding may not be brought in such court for jurisdictional purposes, in the state courts of Delaware. Each of the parties hereby (i) irrevocably submits with regard to any such action or proceeding to the exclusive personal jurisdiction of the aforesaid courts in the event any dispute arises out of this Agreement or any Contemplated Transaction and waives the defense of sovereign immunity, (ii) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court or that such action is brought in an inconvenient forum and (iii) agrees that it shall not bring any action relating to this Agreement or any Contemplated Transaction in any court other than any Delaware state or federal court sitting in New Castle County, Delaware.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS.

13.13 Remedies.

(a) The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, may occur in the event that the Parties do not perform the provisions of this Agreement (including failing to take such actions as are required of it hereunder to consummate this Agreement) in accordance with its specified terms or otherwise breach such provisions. The Parties acknowledge and agree that, prior to the valid termination of this Agreement pursuant to Article XII, the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which the Parties are entitled at law or in equity.

(b) Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief when expressly available pursuant to the terms of this Agreement on the basis that (i) there is adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement when expressly available pursuant to the terms of this Agreement and to enforce specifically the terms and provisions of this Agreement when expressly available pursuant to the terms of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

13.14 Interpretation. For purposes of this Agreement:

(a) The words “include,” “includes” and “including” indicate examples of a predicate word or clause and not a limitation on that word or clause, and shall be deemed to be followed by the words “without limitation;”

(b) The word “or” is not exclusive and shall mean “and/or;”

(c) The words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole;

(d) The phrase “ordinary course of business” or phrases of similar import shall be deemed to be followed by the words “consistent with past practice;”

(e) All pronouns and any variation thereof will be construed to refer to such gender and number as the identity of the subject may require;

(f) References to “$” or “Dollars” shall be to United States dollars;

(g) Unless the context otherwise requires, references herein: (i) to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of, and the Exhibits and Schedules attached to, this Agreement; (ii) to an agreement, contract, instrument or other document means such agreement, contract, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement; and (iii) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any rules and regulations promulgated thereunder;

(h) The Schedules and Exhibits referred to herein shall be construed with and as an integral part of this Agreement to the same extent as if they were set forth verbatim herein;

(i) Headings of Articles, Sections and subsections herein are inserted for convenience of reference only and shall not be deemed a part of or to affect the meaning or interpretation of this Agreement;

(j) With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence; and

(k) Each Party participated in the negotiation and drafting of this Agreement, assisted by such legal and tax counsel as it desired, and contributed to its revisions. No Party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing or enforcing the provisions hereof, and all provisions of this Agreement shall be construed according to their fair meaning and not strictly for or against either Party, and no presumption or burden of proof will arise favoring or disfavoring any Person by virtue of its authorship of any provision of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year first above written.

2C4K, L.P.

By: NBE Management, LLC, General Partner

By: /s/ Susan E. Naples

Name: Susan E. Naples

Title: Manager

ARTC ACQUISITIONS, INC.

By: /s/ Susan E. Naples

Name: Susan E. Naples

Title: President

ACADIA VISTA, LLC

By: Acadia Healthcare Company, Inc., its sole member

By: /s/ Christopher L. Howard

Name: Christopher L. Howard

Title: Executive Vice President, Secretary and General Counsel

JOINDER

To facilitate the consummation of the transactions contemplated within this Agreement and in consideration of the benefits inuring hereunder to its indirect wholly-owned Subsidiary, the undersigned, Acadia Healthcare Company, Inc., a Delaware corporation ("Acadia") hereby joins this Agreement for the sole purpose of being responsible, on a joint and several basis with Buyer, for the payment and performance of all of the obligations of Buyer arising under this Agreement. Acadia hereby also agrees not to transfer or assign its obligations under this Agreement.

ACADIA HEALTHCARE COMPANY, INC.

By: /s/ Christopher L. Howard

Name: Christopher L. Howard

Title: Executive Vice President, Secretary and General Counsel

INDEX OF SCHEDULES AND EXHIBITS*

* Schedules and Exhibits are omitted in accordance with Item 601(b)(2) of Regulation S-K. Acadia agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

Exhibits

Exhibit 2.2(b)	Form of Escrow Agreement
Exhibit 2.3(a)	Working Capital Example
Exhibit 2.3(c)	Working Capital Principles
Exhibit 3.4(l)	Form of Seller Guaranty
Exhibit 3.4(m)	Form of Seller's Legal Opinion

Schedules

Schedule 1.1A	Excluded Liabilities
Schedule 1.1B	Facilities
Schedule 1.1C	GAAP
Schedule 4.4	Title to AmiCare Units
Schedule 5.2	Encumbered Units; List of Options
Schedule 5.3	Subsidiaries
Schedule 5.4	Financial Statements
Schedule 5.5	Undisclosed Liabilities
Schedule 5.6	Absence of Changes
Schedule 5.7	Taxes
Schedule 5.7(d)	Taxing Jurisdictions
Schedule 5.7(l)	Company Qualifications
Schedule 5.7(n)	Tax Returns for Which Statute of Limitations Has Not Run
Schedule 5.7(o)	Corporations
Schedule 5.8	Governmental Permits
Schedule 5.9	Compliance
Schedule 5.10	Regulatory Matters
Schedule 5.10(d)	Open Cost Reports
Schedule 5.10(e)	Government Program Adverse Actions
Schedule 5.10(f)	Adverse Accreditation Actions
Schedule 5.10(g)	Medical Staff Matters
Schedule 5.11	Legal Proceedings
Schedule 5.12(a)	Owned Real Property
Schedule 5.12(b)	Material Leases
Schedule 5.12 (c)	Lessor
Schedule 5.12(d)	Real Property Taking
Schedule 5.13	Personal Property
Schedule 5.14	Intellectual Property
Schedule 5.15	Material Contracts
Schedule 5.16	Accounts Receivable
Schedule 5.17(a)	Employee Benefit Plans
Schedule 5.17(b)	Employee Benefit Plan Compliance

Schedule 5.17(c)	Defined Benefit Plans
Schedule 5.17(d)	Benefit Continuation Plans and Agreements
Schedule 5.17(g)	Severance Payments
Schedule 5.17(i)	Current and Former Employees Eligible for COBRA
Schedule 5.18	Labor Matters - Employees Terminated in Last 90 Days
Schedule 5.19	Environmental Matters
Schedule 5.20	Insurance
Schedule 5.21	Related Party Transactions
Schedule 7.3	Operations Prior to Closing
Schedule 7.7	Additional Agreements
Schedule 8.1	Purchase Price Allocation
Schedule 8.1(c)	Amended Tax Returns
Schedule 9.6	Third Party Consents

Contact:
Brent Turner
President
(615) 861-6000

Acadia Healthcare Announces Two Agreements to Purchase Eight Inpatient Psychiatric Facilities with Over 600 Beds

FRANKLIN, Tenn. — November 27, 2012 — Acadia Healthcare Company, Inc. (NASDAQ: ACHC) today announced two agreements to purchase an aggregate of eight inpatient psychiatric facilities with approximately 600 beds.

The Company has agreed to purchase Behavioral Centers of America, LLC, which is headquartered in Nashville, TN, for total consideration of $145 million in cash. BCA operates three inpatient psychiatric facilities and one psychiatric hospital within a hospital. The facilities are located in Ohio, Michigan and Texas and have 278 licensed inpatient beds, over 90% of which are acute inpatient beds. The facilities produced revenues of $60.5 million for the twelve months ended September 30, 2012. Acadia expects to complete the transaction, which is subject to customary closing conditions, in late December 2012.

The Company also has agreed to acquire AmiCare Behavioral Centers, headquartered in Fayetteville, AR, for total consideration of $113 million in cash. AmiCare operates four inpatient psychiatric facilities in Arkansas that have 330 licensed inpatient beds, nearly 70% of which are acute inpatient beds. The facilities produced revenues of $61.7 million for the twelve months ended September 30, 2012. Acadia expects to complete the transaction, which is subject to customary closing conditions, in late December 2012.

Joey Jacobs, Chairman and Chief Executive Officer of Acadia, commented, “Today’s announcement provides further evidence of both our continuing opportunities to purchase well-run inpatient psychiatric facilities with high quality professional staffs and our ability to execute on these opportunities. In addition to providing Acadia our first entry into Ohio, which is our 21st state, these transactions will significantly expand our beds in operation. We continue to consider additional acquisition opportunities in the fragmented inpatient behavioral health industry.”

Acadia is evaluating alternatives to finance these transactions. While the final funding mix is yet to be finalized, management expects that these transactions will be accretive to its 2013 financial results.

- MORE -

Risk Factors

This news release contains forward-looking statements. Generally words such as “may,” “will,” “should,” “could,” “anticipate,” “expect,” “intend,” “estimate,” “plan,” “continue,” and “believe” or the negative of or other variation on these and other similar expressions identify forward-looking statements. These forward-looking statements are made only as of the date of this news release. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements are based on current expectations and involve risks and uncertainties and our future results could differ significantly from those expressed or implied by our forward-looking statements. Factors that may cause actual results to differ materially include, without limitation, (i) Acadia’s ability to obtain financing for pending and future acquisitions within timeframes and on terms acceptable to Acadia, if at all; (ii) Acadia’s ability to complete acquisitions and successfully integrate the operations of the acquired facilities; (iii) Acadia’s ability to add beds, expand services, enhance marketing programs and improve efficiencies at its facilities; (iv) potential reductions in payments received by Acadia from the government and third-party payors; (v) the risk that Acadia may not generate sufficient cash from operations to service its debt and meet its working capital and capital expenditure requirements; and (vi) potential operating difficulties, client preferences, changes in competition and general economic or industry conditions that may prevent Acadia from realizing the expected benefits of its business strategy. These factors and others are more fully described in Acadia’s periodic reports and other filings with the SEC.

About Acadia

Acadia is a provider of inpatient behavioral healthcare services. Acadia operates a network of 34 behavioral health facilities with approximately 2,500 licensed beds in 20 states. Acadia provides psychiatric and chemical dependency services to its patients in a variety of settings, including inpatient psychiatric hospitals, residential treatment centers, outpatient clinics and therapeutic school-based programs.

- END -