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Attorneys for Orange Pathology Associates P.C.
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Hearing Date: December 2, 2013
Hearing Time: 10:00 a.m.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, et al.

Chapter 11
Case No. 13-22840 (RDD)

Debtor.

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**MOTION OF ORANGE PATHOLOGY ASSOCIATES, P.C.
FOR AN ORDER COMPELLING IMMEDIATE PAYMENT OF
POST-PETITION ADMINISTRATIVE EXPENSE CLAIMS
PURSUANT TO 11 U.S.C. §§ 503(b)(1) AND 507(a)**

**TO: THE HONORABLE ROBERT D. DRAIN:
UNITED STATES BANKRUPTCY JUDGE:**

Orange Pathology Associates, P.C. ("OPA"), by its attorneys DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, as and for its motion for an Order, pursuant to Sections 503(b)(1) and 507(a) of Title 11 of the United States Code (the "Bankruptcy Code"), dismissing the Debtor's Chapter 11 proceeding, respectfully represents as follows:

JURISDICTION

1. The Court has jurisdiction over this Chapter 11 case and this Motion pursuant to 28 U.S.C. §§ 157(b)(2)(A) and 1334. This Motion is a core proceeding as defined in 28 U.S.C. § 157. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for relief are sections 503(b)(1) and 507(a) of the Bankruptcy Code.

BACKGROUND

2. OPA is the exclusive provider of pathology laboratory clinical and administrative services to Sound Shore Medical Center of Westchester (“Sound Shore”) and The Mount Vernon Hospital (“Mount Vernon”) (collectively, the “Debtors”) pursuant to a Pathology Services Agreement dated August 30, 2011 (the “Agreement”). A copy of the Agreement is annexed as **Exhibit A**.

3. OPA provides all anatomic and clinical pathology services to the hospitals including but not limited to, clinical lab directorship and consultations, Blood bank and Transfusion service directorship, surgical pathology and cytology diagnostic interpretation, frozen section and intraoperative consultation, post-mortem examination and other organizational duties including medical and departmental committees. OPA employs two full time doctors and a physician assistant who solely service the Debtors. In addition, OPA employs five additional doctors and staff to provide back-up when needed so the hospitals are covered 24/7 for essential pathology services.

4. Pursuant to the Agreement, Section 7.2.3, OPA is entitled to terminate the Agreement as follows:

Termination on Notice for Default. Subject to Section 7.2.6 below, either party may terminate this Agreement upon thirty (30) days prior written notice to the to the other upon a breach hereof, which breach has not been cured to the reasonable satisfaction of the notifying party within such thirty (30) day period.

5. On or about May 21, 2013, OPA served on Sound Shore and Mount Vernon a 30-day notice of default and intent to terminate the Agreement (the “Notice of Default”). The basis for the termination was the Debtors’ non-payment of (i) Administrative Service Fees (“Part A Services”) due through May 1, 2013 in the amount

of \$117,333.32 and (ii) Medicaid, Medicaid Managed Care, Charity and Uncompensated Care charges (“Pass-Through Services”) due through March 31, 2013 in the amount of \$11,339.79. A copy of the Notice of Default is annexed as **Exhibit B**.

6. Prior to the expiration of the 30-day Notice of Default, on May 29, 2013 (the “Filing Date”) the Debtors filed voluntary petitions for reorganization pursuant to Chapter 11 of the Bankruptcy Code.

7. After the Filing Date, the Debtors continued to default on their financial obligations to OPA under the Agreement.

8. After many efforts by OPA to obtain payment, By letter dated August 14, 2013, OPA mailed a demand letter to counsel for the Debtors, detailing the defaults and providing invoices as back-up. A copy of the August 14, 2013 letter is attached as **Exhibit C**.

9. Since the Debtor’s counsel got involved, the Debtors paid Part A Services from the Filing Date through August 2013. September 2013 and October 2013 remain due and unpaid in the total amount of \$56,166.66. The Debtors still have not made any payments for post-petition Pass-Through Services, which remain due and unpaid in the total amount of \$21,946.83 as billed through August 31, 2013 (collectively, the “Post-Petition Arrears”). A summary of the post-petition arrears is annexed as **Exhibit D**.

10. On September 4, 2013, OPA’s counsel followed up with the Debtor’s representative via email regarding payment of Pass-Through Services. Additional invoices and back-up were provided, but still payment was not forthcoming.

11. On October 9, 2013, OPA’s counsel followed up again with Debtor’s counsel. OPA was directed to communicate with the Debtors’ representative at FTI

Consulting. Again, explanations, summaries and invoices were sent. Not only have the Debtors failed to pay *any* portion of the Pass-Through Services, the Debtors are falling behind again on Part A Services, which are now unpaid for September 2013 and October 2013. OPA has made an enormous effort to resolve this matter without bringing a motion, but is now forced to seek this Court's intervention due to the fact that the Debtor has failed to make good on any of the Pass-Through Services payments, and is falling farther behind on the Part A Services, failing to respond to the Debtor's repeated submissions of information.

12. Thus, OPA has been forced to carry its payroll for doctors, clinicians and staff who operate the pathology lab, providing an essential service to the Debtors. OPA should not be forced to pay for continued employment and provision of services without post-petition payment.

13. Bankruptcy Code Sections 503(b)(1) and 507(a) provide the Court with authority to order payment of post-petition claims.

14. In determining whether to award immediate payment of an administrative claim, court in other circuits have considered three factors, (i) prejudice to the debtor; (ii) hardship to the claimant; and (iii) potential detriment to other creditors. See *In re Garden Ridge Corp.*, 323 B.R. 136, 143 (Bankr. D. Del. 2005). This test illustrates why OPA is entitled to immediate payment of the Post-Petition Arrears.

15. There is no prejudice to the Debtor to timely pay for post-petition essential pathology services required to run the hospital. There is extreme prejudice to OPA to be forced to continue to comply with its obligations under the Agreement, paying salaries and costs necessary to operating the Debtor's essential pathology lab. Finally, it would

certainly prejudice other creditors and patients if OPA was unable to run the pathology lab due to lack of payment. OPA already has pre-petition claims against the Debtors in the amount of over \$130,000.

16. Accordingly, OPA asserts that the Debtors should be immediately compelled to pay all outstanding Part A Services and Pass-Through Services post-petition invoices due through the hearing on this Motion.

WHEREFORE, the Debtor requests that the Court enter an Order compelling the Debtors to pay OPA's post-petition administrative claims, together with such other and further relief as is just and proper.

Dated: White Plains, New York
October 15, 2013

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
Attorneys for the Debtor

/s/ Dawn Kirby Arnold

BY: _____

Dawn Kirby Arnold
One North Lexington Avenue
White Plains, New York 10601
(914) 681-0200

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:

SOUND SHORE MEDICAL CENTER OF
WESTCHESTER, et al.

Chapter 11
Case No. 13-22840 (RDD)

Debtor.

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**NOTICE OF HEARING TO CONSIDER MOTION OF ORANGE PATHOLOGY
ASSOCIATES, P.C. FOR AN ORDER COMPELLING IMMEDIATE PAYMENT OF
POST-PETITION ADMINISTRATIVE EXPENSE CLAIMS
PURSUANT TO 11 U.S.C. §§ 503(b)(1) AND 507(a)**

PLEASE TAKE NOTICE, that upon the annexed motion of Orange Pathology Associates, P.C., (the “OPA”), by its attorneys DelBello, Donnellan, Weingarten, Wise and Wiederkehr, LLP, shall move this Court before the Honorable Robert D. Drain, United States Bankruptcy Judge, at the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601 on the 2nd day of December 2013 at 10:00 a.m. or as soon thereafter as counsel may be heard, for an order pursuant to 11 U.S.C. § 503(b)(1) and 507(a) for an order compelling immediate payment of post-petition administrative expense claims (the “Motion”).

PLEASE TAKE FURTHER NOTICE, that objections, if any, to the relief requested in the Motion shall be made in writing filed with the Bankruptcy Court via its electronic website www.nysb.uscourts.gov (with a copy delivered directly to Chambers), and served upon the

undersigned so as to be received no later than seven (7) days before the hearing date.

Dated: White Plains, New York
October 15, 2013

DELBELLO DONNELLAN WEINGARTEN
WISE & WIEDERKEHR, LLP
Attorneys for the Debtor
One North Lexington Avenue
White Plains, New York 10601
(914) 681-0200

By: /s/ Dawn Kirby Arnold
Dawn Kirby Arnold, Esq.

TO: Counsel to the Debtor
Counsel to the Official Committee of Unsecured Creditors
United States Trustee
All Parties Filing Notices of Appearance

EXHIBIT A

PATHOLOGY SERVICES AGREEMENT

This Pathology Services Agreement is entered into on 30 Aug, 2011, by and amongst Sound Shore Medical Center of Westchester (the "SSMC"), a New York not-for-profit corporation, located at 16 Guion Place, New Rochelle, New York 10802, The Mount Vernon Hospital ("MVH"), a New York not-for-profit corporation, located at 12 North Seventh Avenue, Mount Vernon, New York 10550 (SSMC and MVH together referred to as "Hospitals" and individually as "Hospital") and Orange Pathology Associates, P.C., a New York professional corporation with its principal office located at 156 Route 59, Suite B4, Suffern, NY 10901 (the "Group").

WHEREAS, the Hospitals operate hospital facilities licensed pursuant to Article 28 of the New York State Public Health Law; and

WHEREAS, Group operates a private practice of medicine in the specialty of pathology and Group employs, retains or otherwise engages qualified physicians ("Group Clinicians") who render medical services on behalf of Group to hospitals; and

WHEREAS, the Hospitals desire Group to provide professional and administrative pathology services required by the Hospitals for the benefit of Hospital patients ("Patients"); and

WHEREAS, Group desires to provide such pathology services.

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. Group Services

1.1 Clinical and Administrative Services. Hospitals hereby retain Group to provide the clinical and administrative services described below (together, the "Services") through each Hospital's Department of Pathology (the "Department"). Group agrees to accept such retention to provide all such Services as needed by Hospitals in accordance with the terms of this Agreement. Hospitals and Group agree that except as otherwise specifically provided in this Agreement, Group shall be the exclusive provider of the Services for the Hospitals.

1.2 Provision of Clinical Services.

1.2.1. Hospitals hereby retain Group to provide all required pathology services to Hospital Patients, including inpatients, outpatients and clinic patients, including without limitation all pathology work done for the Emergency Room at the Hospitals (the "Clinical Services"). Such Clinical Services shall include clinical and intraoperative consultations, frozen section examinations and autopsies. Group shall provide said Clinical Services at each Hospital on a 24/7 basis. The Group shall ensure that an adequate complement of Group Clinicians are on duty, and on-site at the

Hospitals to provide care for Patients weekdays, during normal business hours. Evenings, night, weekend and holiday coverage shall be provided on an "on-call" basis. Group shall establish staffing and schedules for all Clinical Services provided hereunder as required by all applicable laws, rules, regulations and Hospital policies. In addition to on-site services, on-call services 24 hours per day, 7 days per week shall be provided. Group shall provide a written monthly schedule for on-call back-up services. Group shall provide a written monthly schedule for on-call back-up services and shall include telephone numbers for each on-call Group Clinician. The parties recognize and agree that it is important for the pathologists providing services hereunder to build a rapport with other physicians on the Hospital's Medical Staff. To that end, Group shall ensure that the Clinical Services shall be provided by a reasonably stable group of physicians such that there shall be a continuity of services with respect to staffing and the provision of Clinical Services.

1.2.2. A Group Clinician shall be available by phone on a 24/7 basis.

1.2.3. The Group shall establish criteria for patient needs for specific laboratory procedures, quality improvement procedures, appropriate turnaround times for specific tests, criteria for STAT testing, critical test criteria and standards, report formats, referral criteria for pathologist review, and guidelines for cost-effective lab utilization. Such criteria shall be approved by Hospitals.

1.2.4. Hospitals shall provide the services of all support personnel reasonably necessary for Group Clinicians to provide the Clinical Services.

1.2.5. Group shall offer employment to the Pathology Assistant ("PA") currently employed by the Hospitals. Starting salary will be the current salary provided by the Hospitals. The PA will receive the standard benefit package offered to all Group employees. Hospitals and Group will share the expense for the total compensation for the PA which is reflected in the payments from the Hospitals to the Group for services provided under section 5.3.

1.3. Provision of Administrative Services. Without limiting the responsibilities of Groups set forth herein, it shall be the responsibility of Group, subject to the overall authority of each Hospital's Governing Body, to perform the services described below (collectively, the "Administrative Services"). These shall include participation in all appropriate committees established by the Hospital, including Tumor Board, Medical Board, Transfusion, Tissue, Cancer, Quality Improvement and others as listed in Exhibit A. The Group shall be responsible to assist in the selection and supervision of appropriate Hospital personnel to staff the Laboratory and to assist in ensuring compliance with regulatory and accrediting agencies, including the Joint Commission, New York State Department of Health, American Association of Blood Banks, CLIA and CAP. See Exhibit A.

1.3.1. The Group shall be responsible for Evaluation and Monitoring of instruments and procedures to include:

- Direction of point of care testing;
- Evaluation of new technology;
- Procedures for obtaining specimens for satisfactory evaluation;
- Assurance of prompt performance of adequate examinations in sufficient depth to meet the needs of patients;
- Responsibility for all laboratory reports, including assurances of delivery to appropriate persons with avoidance of misinterpretation; and
- Annual review of all clinical laboratory procedures

1.3.2. The Group shall assist the Hospitals in Space Planning and Fiscal Management in order to:

- Increase market share;
- Develop, maintain and grow hospital outreach programs; and
- Evaluation of contracted laboratory services.

1.3.3. The Group shall cooperate with Hospitals on the implementation of Information Technology.

1.3.4. The Group shall participate in Strategic and Project Planning including exploration of new service opportunities.

1.3.5. The Group shall actively support each Hospital's Corporate Compliance Program as evidenced by:

- Ensuring HIPAA compliance;
- Compliance with correct CPT and ICD-9 coding; and
- Monitoring Group Clinicians' performance.

1.3.6. The Group shall:

- Integrate the laboratory into each Hospital's primary functions;
- Coordinate and integrate interdepartmental services; and
- Develop and implement interdepartmental policies and procedures.

1.3.7. Department Director. An Interim Director of the Department (the "Interim Director") shall be appointed upon the recommendation of Group, subject to the approval of the Hospital, and such Interim Director shall be on-site at both Hospitals as necessary to assure the provision of Services under this Agreement during the initial phases thereof. The Director of the Department (the "Director") shall be appointed within six (6) months of the SSMC Effective Date upon recommendation of Group, subject to the approval of the Hospital, and the Director shall be on-site at both Hospitals on a full-time basis, subject to usual and customary absences for professional conferences, vacation and CME time-off. The Director shall serve in such capacity until such time as

(i) he/she shall resign; (ii) his/her medical staff membership and clinical privileges at the Hospital are terminated preventing him/her from carrying out his/her obligations pursuant to this Agreement; (iii) he/she is removed from such position as set forth herein; (iv) he/she ceases to be a Group Clinician; (v) he/she loses his/her license to practice medicine; or (vi) he/she is disabled for a period of six months and is unable to carry out his/her obligations hereunder. The Director shall be primarily responsible for the provision of Administrative Services to the Hospital hereunder on Group's behalf and shall be responsible for laboratory direction. It shall be the Director's responsibility to evaluate and make recommendations to the Hospital for cost-effective management of the Hospital laboratory services whether by expanding or consolidating existing services. This will include evaluation test menus to determine which tests should remain in-house or be sent to a reference laboratory. Each Hospital shall have the right to remove and replace the Director in accordance with its Medical Staff Bylaws and applicable policies. In the event that the Director is removed or replaced, Hospital, in consultation with the Group, shall appoint an Interim Director from among the Group Clinicians. Such Interim Director shall remain in such position until a permanent Director is named.

The Director shall obtain and maintain a valid New York State Certificate of Qualification. In the event that the Director fails to maintain the necessary Certificate of Qualification in one or more categories of laboratory services provided at the Hospital, the Group shall immediately provide for such categories an interim Director acceptable to the Hospital who currently maintains the necessary Certificate of Qualification.

1.3.8. Established of Policies. Group shall participate in the establishment of policies, procedures, rules, regulations and methods of operation related to the practice of pathology, as requested by Hospital.

1.3.9. Medical Teaching. Group shall provide medical teaching for all interns, residents, fellows, medical students, and other healthcare students as requested by Hospitals whether they are based at the Hospitals or rotating through the Hospitals. Group shall be responsible for continuing medical education for Group Clinicians and will assist the Hospitals in developing educational policies and procedures for all other laboratory personnel.

1.3.10. Performance Improvement. As part of the Hospitals' overall performance improvement program, Group shall recommend procedures to ensure the consistency and quality of all pathology services to be provided by Hospitals and shall additionally participate in Hospitals' overall quality improvement program in accordance with Hospital policies and the policies of accrediting organizations. Such participation shall include, but shall not be limited to, attendance at monthly Department meetings, quarterly reports monitoring, Department performance using CAP and other industry standards for quality measurement which will be submitted to appropriate Hospital committees.

1.3.11. Surveys and Inspections. Group shall cooperate with the Hospital in connection with any surveys inspections, and corrective actions related to the provision of pathology services and in the implementation of any corrections or recommendations. The Director or Hospital lab manager shall notify the Hospital CEO of all announced or unannounced surveys and inspections of the Department by regulatory agencies and of all preliminary and final reports and findings, which result from such surveys and inspections.

1.3.12. Selection, Maintenance and Utilization of Department Facilities and Other Equipment. Group shall cooperate with Hospitals in the planning, investigation and installation of devices, machinery, equipment and systems to be leased, purchased or otherwise acquired by Hospitals for use in the Department. Group shall advise Hospitals with respect to the selection of additional or replacement equipment required at the Hospitals. Group shall assist in the periodic inspection and evaluation of the equipment upon request of the Hospitals' CEO to determine whether it is being maintained in a safe condition and being utilized in a safe and efficient manner. Group shall advise Hospitals with respect to facility needs, including participation in the planning of any expansion of Department facilities, as requested by the Hospitals.

1.3.13. Budget. Group shall exercise diligence in assisting Hospitals in keeping costs of the Department to a minimum. Group shall, as requested by Hospitals, participate in the preparation of operating and capital budgets for the Department (including projections of both revenue and expenditures). Group shall perform its obligations under this Agreement in accordance with the budget of the Department as established by Hospitals, unless otherwise authorized in writing by Hospitals.

1.3.14. Media or Community Group Inquiries. Group shall notify the Hospitals' public affairs office of all announced or unannounced visits or phone calls to the Department by the media or community groups regarding Group, Department services or any other Department activities. Group shall cooperate with and follow the direction of Hospitals in connection with responding to such inquiries.

1.3.15. Medical Board Reporting. Group shall cooperate with Hospitals by making periodic reports, as requested, to Hospitals' Medical Board, Medical Staff Quality Improvement Committee or other oversight body regarding the Department's budgets, quality of care and such other matters related to the Department as may be requested by Hospitals from time to time.

1.3.16. Community Outreach. Group shall actively participate in the development of patient education materials and seminars. Group shall also work closely with the Marketing and Public Relations staff of the Hospitals to help communicate Department and Hospital developments to potential patients and the medical/surgical community.

1.4. Scheduling. Group shall provide Hospitals with telephone numbers to contact Group Clinicians in the event of an emergency.

1.5. Reporting Responsibility. Group and the Director shall report directly to the Medical Director and Senior Vice President/Operations and shall be at all times subject to the overall authority of the Governing Board of the Hospitals.

1.6. Pathology Reference Services. Subject to the Hospitals' continuing approval, the Group's affiliated laboratory, Histopathology Services, LLC (HPS) will be the provider of anatomic pathology reference laboratory services to include Immunohistochemistry, Hematopathology, Flow Cytometry, FISH, PCR, and Cytogenetics. HPS shall bill Patients and third party payors for such anatomic pathology reference laboratory services in accordance with the fee schedule set forth in Exhibit B. In the event HPS does not receive reimbursement from Patients or third party payors for such services, it shall bill the Hospital in accordance with the fee schedule set forth in Exhibit B. HPS shall be solely responsible for the collection of all such fees. In the event, the Hospital provides written notice to the Group that in the Hospitals' sole discretion, services being provided by HPS are unacceptable, the Group shall cease utilizing HPS' services and the Group shall instead utilize the services of a provider selected by the Hospitals. All testing not performed by HPS will be sent to the Hospital's clinical pathology reference laboratory.

1.7. Performance Evaluations. The Group shall be accountable for its performance under this Agreement to the Hospitals' Senior Vice President or his or her designee. On an annual basis (or more frequently, if necessary in the discretion of the Senior Vice President), the Hospitals will conduct a performance evaluation of the Services rendered and coverage provided by the Group. The performance indicators to be considered in this evaluation are contained in Exhibit C. The results of the evaluation will be provided to the Group in writing within thirty (30) days of completion. If the Hospitals identify issues regarding the availability of Group Clinicians to provide care, the Group shall promptly prepare and submit a manpower plan to the Hospitals specifying the manner in which it will correct such deficiencies. If deficiencies identified with respect to performance are not cured to the reasonable satisfaction of the Senior Vice President or the Group fails to provide a manpower plan as described above within thirty (30) days of receiving written notice of the deficiencies, the Hospitals may terminate this Agreement on thirty (30) days' written notice in accordance with Section 7.2.3. If such deficiencies are of such character as to reasonably require more than thirty (30) days to cure, then this Agreement may be terminated only if the Group fails to commence action within such thirty (30) days to cure the deficiencies and proceeds to use reasonable diligence to cure the deficiencies until they have been fully remedied.

2. Covenants of Group

2.1. Compliance with Hospital Policies and Applicable Law. In performing services hereunder, Group shall ensure that Group Clinicians, comply with all applicable law and all Hospital policies, including the Hospitals' certificate of incorporation, bylaws and rules, the bylaws, rules and regulations of the Medical Staffs, corporate compliance plan (including participation in training and education) and other policies, practices and procedures of the Hospitals, including those rules specifically applicable to the

administration of the Hospitals, the Department and any department within the Hospitals or the Hospitals' Board ("Hospital Policies"), the New York State Public Health Law, Committee for Accreditation of Pathology (CAP) and the regulations promulgated thereunder (including but not limited to Part 405) and all other applicable law, the standards of the Joint Commission, the standards of this profession and any other rules or regulations applicable to Group of the Hospitals.

2.2. Use of Hospital Facilities. Group shall ensure that Group Clinicians, do not use Hospitals' facilities for any purpose other than the provision of the Clinical and Administrative Services hereunder. Notwithstanding the foregoing, the parties agree that in consideration of being able to obtain pathological sub-specialty expertise and make additional pathologist staffing available to the Hospitals, Group may obtain the review, consult, opinion and interpretation with respect to Hospital cases by clinicians, at its cost, who are not on-site at the Hospitals, and Group Clinicians may provide the review, consult, opinion and interpretation with respect to non-Hospital cases to clinicians who are not rendering services to the Hospitals, subject to applicable laws, rules and regulations and provided that such review, consult, opinion and interpretation of non-Hospital cases to do not interfere with Group Clinicians' obligations hereunder.

2.3. Group Clinicians.

2.3.1. Group Clinician Qualifications. Group shall ensure that each Group Clinician who provides Clinical Services hereunder, as a continuing condition precedent to Hospitals' obligations under this Agreement, and prior to the provision of any services by a Group Clinician hereunder, as applicable: (i) hold and maintain in good standing a currently valid and unlimited license, registration or certification to practice medicine in the State of New York; (ii) apply for, be awarded and maintain in good standing membership on Hospital's Medical Staff with appropriate privileges in accordance with Hospital policies; (iii) be a provider under the Medicare and Medicaid programs; (iv) be board certified by the American Board of Pathology in anatomical and clinical pathology within five (5) years after post-graduate training, and (v) be approved by the Medical Staff appointment process. It will be the Group's responsibility to immediately alert the Hospital should any of the Group Clinicians receive a restriction or sanction from a regulatory authority.

2.3.2. Termination of Medical Staff Privileges. Group represents and covenants that Group has been informed and understands and agrees, and that each Group Clinician will be informed and will acknowledge in writing his/her understanding and agreement, that, upon the expiration, termination or non-renewal of this Agreement of his Employment Agreement with Group, for any reason whatsoever, each Group Clinician's membership on Hospital's medical staff and clinical privileges at Hospital may likewise and at the same time terminate at the election of Hospital. Any provision of Hospital policies to contrary notwithstanding, Hospital and Group each agree that in the event that a Group Clinician's medical staff membership and clinical privileges terminate as a result of the termination of this Agreement, or the individual Group Clinician's termination from the Group (i) Hospital has no duty to provide notice, hearing, or review; (ii)

Hospital, Group and Group Clinician hereby waive such notice, hearing, or review; and (iii) Group shall hold Hospital harmless from any and all liability or loss incurred by Hospital in reliance upon Group's covenants hereunder.

2.3.3. Retention of Group Clinicians. Group shall employ or retain, at its expense, such number of Group Clinicians as mutually determined to be reasonably necessary to discharge the duties of Group under this Agreement (including the Department Director duties), consistent with the professional standards of other similarly situated hospitals with like practices, provided, however, that the parties agree that a minimum of two full-time equivalent (2 FTEs) Group Clinicians shall be employed or retained to ensure that a total of two (2) Group Clinicians are on-site at the Hospitals during business hours.

2.3.4. Hospital's Ongoing Approval and Removal of Group Clinician. The selection of a Group Clinician for assignment to the Hospital shall be subject to the Hospital approval. If a Hospital becomes aware of any questions regarding professional qualifications or performance of any Group Clinician, such questions will be communicated promptly to the Group so that a resolution of the problem can be promptly made. Should a clinical or interpersonal problem arise with regard to a Group Clinician, the Group will work with the Group Clinician and the Hospital to correct the problem to the satisfaction of all parties. If Hospital and the Group determine that such problem is of a sufficiently serious nature to warrant suspension, then the Group Clinician in question will be suspended from the schedule in order to allow the parties time to fairly investigate and evaluate the problem, and if necessary, counsel the Group Clinician to correct the problem. Notwithstanding the foregoing, the Hospitals will have the right to require the Group to immediately terminate an individual Group Clinician from service at the Hospital for good cause, as determined by the Hospital in its reasonable discretion. Such termination will be administrative in nature and, with respect to the Group Clinician, will not be considered a denial or revocation of staff privileges subject to hearing and appellate review as may be provided in the Bylaws, Rules and Regulations of the Medical Staff or otherwise. Thus such a termination will not be an event reportable to New York State nor the National Practitioner Data Bank. Nothing in this section will be construed as limiting the right of a Hospital to take corrective action, limit, suspend or terminate a Group Clinician's privileges, or take other disciplinary action in accordance with the Bylaws, Rules and Regulations of the Medical Staff. In the event a Group Clinician is suspended or terminated, the Group shall promptly provide a qualified replacement Group Clinician.

2.3.5. Group Clinician Misconduct. Group shall promptly notify Hospital of any professional or criminal misconduct of a Group Clinician or any other incident or behavior negatively affecting the quality of care provided by Group Clinician. Hospital shall have the right to require that such Group Clinician not provide further Services under this Agreement.

2.3.6 Other Agreements. Group covenants that it and Group Clinicians who will perform Services hereunder, are not bound by any agreement or arrangement which would preclude Group and/or Group Clinicians from entering into this Agreement or from fully performing the Services.

2.4. Limitation of Group Authority.

2.4.1. Hospitals shall retain full legal authority over the day to day operations of Hospitals and the Departments and any powers not delegated to Group under this Agreement shall remain with Hospitals. Notwithstanding anything to the contrary stated herein, Hospitals shall retain (i) independent control over the Departments' books and records; (ii) exclusive authority over the disposition of the Hospital assets which were furnished or supplied to the Department by Hospital (provided, however, that any assets in the form of equipment and supplies furnished or purchases by Group shall remain the property of Group; (iii) exclusive authority to independently adopt and enforce policies affecting the delivery of health care services in the Department; and (iv) exclusive authority over the policies and procedures and the implementation with respect to the operation of the Department, in order to ensure the provision of quality health care services in the Department and to ensure that the Department is operated in compliance with all applicable laws and regulations.

2.4.2. Except pursuant to the prior written approval of Hospital, Group and Group Clinicians shall not engage in or cause direct purchasing or otherwise contract any liability on behalf of Hospital or the Department and shall neither charge the credit of Hospital nor incur any obligations or enter into any agreement for or on behalf of Hospital of the Department in the operation of the Department or otherwise.

2.5. Time Records and Allocation Agreements. The Group agrees and shall require Group Clinicians to agree to promptly record and maintain all information that, in the reasonable judgment of Hospitals, is necessary or desirable in order for Hospitals to have time records relating to services under this Agreement in compliance with the requirements of the Medicare Program and other third party payer programs. Upon request, Group (and each Group Clinician) shall execute an allocation agreement in such form as may be provided by the Hospitals for Services rendered to the Hospitals and Patients. In addition, Group and each Group Clinician, agrees to periodically execute written allocation agreements, based on the results of such time records which meet the requirements of the Medicare Program and such other third party payer programs. The form of such time records and allocation agreements shall be determined, and may be from time to time be amended, by Hospitals after consultation with the Group.

2.6. Non-Solicitation.

2.6.1. During the term of this Agreement and for one (1) year after its termination, neither party shall, directly or indirectly, employ or otherwise hire or engage any person who, during the one year period prior to termination of this Agreement, was

an employee or independent contractor of the other party, without such other party's prior written consent.

2.6.2. This Section will survive the expiration or earlier termination of this Agreement.

2.7. Third Party Payor Participation. Group shall make best efforts to enter into and maintain agreements with Hospitals' contracted third party payors. Group shall not be required to accept any fee schedule which is less than the applicable Medicare Fee Schedule for Westchester, New York.

3. Independent Contractors.

It is expressly acknowledged by the parties hereto that Group and each Group Clinician are "independent contractors" of Hospitals and nothing in this Agreement is intended or shall be construed to create with Hospitals and employer/employee relationship or a joint venture relationship. Group understands and agrees that Hospitals will not make any payment to the Group or any Group Clinician, other than specified in Section 5, and will not withhold on behalf of the Group or any Group Clinician any sums for income tax, unemployment insurance, social security, worker's compensation, NYS disability, or any other withholding pursuant to any law or requirement of any governmental body relating to Group or any Group Clinician, or make available to Group or any Group Clinician any of the benefits afforded to employees of Hospitals and that all of such payments, withholdings, and benefits, if any, are the sole responsibility of Group. In the event the Internal Revenue Service or any other governmental agency should question or challenge the independent contractor status of Group or any Group Clinician, Hospitals shall have the right to participate in any discussion or negotiation occurring with such agency or agencies, irrespective of whom or by whom such discussion or negotiation is initiated.

4. Records.

4.1. Medical Records. Group shall cause to be prepared reports of all examinations, procedures, and other clinical services performed by Group on behalf of Hospitals. Group shall cooperate with Hospitals with respect to the filing and maintenance of accurate and complete files in the Department of all such reports and supporting documents. In preparing such reports, Group and each Group Clinician shall comply with Hospital Policies, the New York State Public Health Law and the regulations promulgated thereunder (including but not limited to Part 405), and the standards of the Joint Commission and CAP. All such medical records shall be the property of Hospital.

4.2. Third Party Payor Program Requirements. Group acknowledges that the Hospital is a participant in various third party payment programs including, without limitation, Medicare and Medicaid, which participation is essential to the financial viability of the Hospitals. Therefore, in connection with the subject matter of this Agreement, Group agrees, and shall cause each Group Clinician to agree to fully

cooperate with the Hospital and to provide assistance to the Hospitals in meeting all reasonable requirements for participation and payment associated with such third party payment programs. Group further agrees, subject to all applicable law to make available to the Hospitals such information and records as the Hospital may reasonably request to; (i) substantiate its cost under this Agreement, and (ii) facilitate the Hospitals' compliance with the requirements of the Medicare Conditions of Participation and Medicaid State Plan and to facilitate the Hospital's substantiation of its reasonable costs or other claims for reimbursement in accordance with the requirements applicable to the Medicare and Medicaid Programs and any other third party payment program in which the Hospital participates.

4.3. Governmental Access to Books, Documents and Records. To the extent applicable under section 1861 (v)(1)(I)(ii) of the Social Security Act, as amended, and 42 CFR Part 420.300, Group agrees with Hospitals that, upon request made in accordance with applicable law and regulations, the Comptroller General of the United States, the United States Department of Health and Human Services and the duly authorized representative of the foregoing shall be given access by Group to the following records from the date of this Agreement until the expiration of four (4) years after the furnishing of the services under this Agreement: this Agreement, all books, documents and records of Group that are necessary to verify the nature and extent of the costs to Hospitals of services rendered hereunder. In the event any request for Group's books, documents and records is made pursuant to this Section, Group shall give notice of such request to Hospitals, shall provide Hospitals with a copy of such request and shall provide Hospitals with a copy of each book, document and record made available to one or more of the persons and agencies listed above or shall identify each such book, document and record to Hospitals and shall grant Hospitals access thereto for review and copying. In the event a similar request is made of Hospitals, it shall provide notice to Group and provide a copy of such request to Group.

4.4. Ownership. The ownership and right of control of all reports, records and supporting documents prepared in connection with Group's provision of services hereunder and the operation and administration of the Department shall vest exclusively in Hospitals, and shall be maintained according to Hospitals' retention policy and applicable laws, rules and regulations.

4.5. Confidentiality. Group shall maintain all Hospital and protected health information, confidential technology, proprietary information, patient or customer lists, trade secrets or other Hospital confidential information to which Group has access in performing hereunder, including but not limited to medical records, in the strictest confidence in accordance with all applicable laws and regulations. Without limiting the foregoing, Group represents that (i) Group and each Group Clinician has been trained in and will comply with the confidentiality and disclosure requirements set forth in Title 10 of N.Y.C.R.R., including those concerning HIV/AIDS related information; as well as the Health Insurance Accountability and Portability Act of 1996 ("HIPAA"), including compliance with the requirements set forth in Hospital's Notice of Privacy Practices; (ii) Group and each Group Clinician will comply with the Business Associate Addendum attached hereto as Exhibit D and made a part hereof, as required by HIPAA; and (iii)

Group and each Group Clinician will execute individual Confidentiality Attestations stating that they will comply with all such requirements. Group shall provide Hospital with copies of such Attestations upon request.

5. Financial Arrangements. The terms of the Group's financial arrangement with Hospitals are as follows:

5.1. Space, Equipment and Support Staff. Hospitals shall provide Group with suitable support staff, office space, equipment, supplies and utilities as shall be reasonably necessary and appropriate for Group to provide the Services, as reasonably determined by the Hospitals in consideration of recognized professional standards. All technicians, clerical staff and other personnel required for the efficient and proper operation of the Department shall be employed by the Hospitals. All salaries, benefits and other obligations attributable to such employees shall be paid by the Hospitals in accordance with its usual personnel policies. The Hospitals shall, at their own expense, furnish ordinary cleaning and maintenance service, mail service, phone service, gas, water and electricity for light and power and telephone, as may be required for the proper operation and conduct of the Department. The Hospitals shall provide the Group with an anatomic pathology information system and access to their information system for charge and demographic information.

5.2. Clinical Services – Group Billing. Except as otherwise provided herein, Hospitals shall not compensate Group for the provision of Clinical Services hereunder. Group shall independently bill Patients and third party payors for the Clinical Services. Group shall be solely responsible for the collection of all such fees for Clinical Services hereunder. All such billing shall be in accordance with all applicable law. Group agrees that its fees shall be reasonable and consistent with the currently prevailing rates in the community. With respect to Clinical Services rendered to Medicare beneficiaries, Group agrees to accept Medicare assignment as payment in full and shall not bill such Patients directly for any additional amount except for co-insurance and deductibles that are the direct responsibility of the patients.

5.3. Administrative Services Fee.

5.3.1. As a payment for administrative services, supervision, teaching, and provision of a Pathology Assistant ("PA"), the Hospital will pay the Group according to the following Fee Schedule:

Year 1:

Upon SSMC Effective Date
(as defined in Section 7.1) - \$300,000/year \$25,000/month

Upon MVH Effective Date
(as defined in Section 7.1) - \$325,000/year \$27,083.33/month

Year 2 - - \$337,000/year \$28,083.33/month

Year 3 - - \$337,000/year \$28,083.33/month

5.3.2. The administrative fee is to be paid in equal monthly installments on the first of each month.

5.3.3. The first payment is due on September 1, 2011.

5.4. Medicaid and Medicaid Managed Care

5.4.1. The Group will invoice the Hospital for Pathology Services performed on the Medicaid and Medicaid Managed Care Patients on the first of each month for the previous month's services.

5.4.2. Invoice will list each patient, date of service and CPT codes performed.

5.4.3. Hospital will be invoiced at 80% of the Westchester, New York Medicare Fee Schedule.

5.4.4. Hospital will pay Group's invoice within 30 days.

5.5. Charity and Uncompensated Care. In the event in any month over 8% of the Group's total volume of Pathology Services provided hereunder is provided for unfunded, uninsured, and indigent Patients, the Group will invoice the Hospital for such uncompensated Pathology Services performed on unfunded, uninsured and indigent Patient on the first of each month for the previous month's services. The invoice will list each patient, date of service and CPT codes performed. The Hospital shall be invoiced at 80% of the Westchester, New York Medicare Fee Schedule and the Hospital shall pay undisputed Group invoices within thirty (30) days.

5.6 Global Arrangements. Notwithstanding Section 5.2 above, in the event that the Hospital has a contract with any global payors, including capitated contracts (the "Global Payors") that includes the payments for hospital-based physicians in the fees paid to the Hospital for, among other things, outpatient clinic, inpatient, ambulatory surgery and emergency services, Hospital shall pay Group on a fee-for-service basis at one-hundred percent (100%) of the Westchester, New York Medicare Professional Fee Schedule (the "Global Fee"). Group shall invoice the Hospital on a monthly basis for all Clinical Services covered under such Global Payors contracts rendered during the prior month, which invoice shall detail the Clinical Services rendered to Global Payor patients during the prior month, including the CPT code, the Group Clinician, the patient and the date of service. The Hospital shall pay the Global Fee due within thirty (30) days of the Hospital's receipt of a complete invoice. The Global Fees shall constitute payment in full for all Clinical Services and Group shall not bill such payors or patients for such services. Hospital shall notify Group in writing of all arrangement with the Global Payor and if the Hospital enters into arrangements with any additional global payor or if the Hospital's arrangement with a Global Payor terminates.

5.7. Participation with Specific Insurer of Hospital Employees. The Group agrees to negotiate participation with the insurer currently engaged to provide coverage for Hospital employees. This agreement to participate is limited to the specific insurance provided for Hospital employees and does not extend to other products that may be offered by the insurance company. The intent of this Section 5.7 is that Hospital employees will not be billed by Group for professional pathology services, other than co-payments, as outlined for their specific insurance product, and as required by law. If a participation agreement cannot be reached with this insurer, Group agrees to accept the insurance payment for an out of network provider, plus required co-payments, as full payment for PC services.

5.8. Technical Services. The Hospitals shall charge, bill and collect from Patients for the use of Hospitals' equipment, personnel and supplies.

5.9. Cooperation. The parties agree to cooperate with each other to provide any necessary information to enable each to bill its respective charges. Hospitals shall cooperate with the Group as reasonably necessary in order for Group to capture patient demographics and other information necessary to perform efficient fee-for-service patient billing.

5.10. Fair Market Value. During the Term of this Agreement, Group acknowledges and agrees that the compensation to be paid to Group hereunder is based on fair market value as of the date of this Agreement. Group understands and agrees that in order to comply with applicable federal, state and local laws, rules and regulations, including without limitation, the Federal Anti-kickback statute (42 USC § 1320a-7b(b)), and the Stark (42 USC 1395nn), the compensation payable to Group must be fair market value. Nothing in this Agreement shall be construed as requiring the Group or any Group Clinician to make referrals to the Hospitals.

6. Insurance/Indemnification.

6.1. Insurance.

6.1.1. The Group will assume professional medical responsibility and liability for its services. In connection with the provision of services hereunder Group and each Group Clinician shall obtain and maintain, at no expense to Hospitals, professional liability insurance coverage with New York authorized providers, each in the amounts of \$1,300,000/\$3,900,000, covering Group and each Group Clinician. Each Group Clinician who is eligible will also obtain and maintain excess malpractice coverage policy, if available. Group shall furnish Hospitals with copies of each such insurance policy and any amendment or renewal or extension hereof. In the event that Group or Group Clinicians do not have an occurrence from policy, upon termination of such non-occurrence form policies Group and each Group Clinician shall purchase "tail" coverage or take other necessary steps to ensure that Group and Group Clinicians are covered at the levels set forth herein for all incidents occurring during the term hereof, regardless of when a claim is brought. Group shall maintain statutory workers compensation insurance for its employees.

6.1.2. Hospitals shall obtain and maintain, at their own expense, professional liability and general liability insurance coverage with New York approved carriers, each in the amounts of \$1,300,000/\$3,900,000, covering Hospitals and all Hospital employees, as applicable.

6.1.3. In the event that Hospitals or Group becomes aware of a claim being asserted related to an alleged injury arising out of the care or treatment of any patient provided Services under this Agreement, each party has a duty to give the others written notice containing the particulars sufficient to identify the name and address of the allegedly injured person, the place and circumstances of the alleged incident and the addresses of the available witnesses within five (5) calendar days. The notice given pursuant to this Section shall be treated as confidential and privilege to the fullest extent permitted by law. Subject to the terms of the respective professional liability and malpractice insurance policies, each of the parties hereto shall cooperate with each other and in the conduct of suits and in enforcing any right of contribution or indemnity against any other and in the conduct of suits and in enforcing any right of contribution or indemnity against any other person or organization who may be liable to either of the parties because of injury with respect to which insurance is afforded, and each of the parties hereto shall attend the hearing and trials and assist in securing evidence and obtaining the attendance of witnesses.

6.1.4. The obligations set forth hereunder shall survive termination or expiration of this Agreement for any reason.

6.2. Indemnification.

6.2.1. Each party shall indemnify and hold harmless the other party and its trustees, members, shareholders, officers, directors, employees, independent contractors and agents, as applicable, from and against any and all claims, actions, suits, proceedings, liabilities, losses, demands, judgments, and expenses (including court costs and reasonable attorney's fees) arising out of the acts of omissions of the indemnifying party of any of its trustees, members, directors, officers, shareholders, employees, independent contractors or agents, as applicable. The indemnity provided hereunder (a) shall apply to all activities conducted by the parties and (b) shall be secondary to, and shall only apply to, those amounts in the excess of any applicable insurance coverage. However, in order for any party to be obligated to provide such indemnification, such indemnitor must receive prompt notice of the matter; and indemnitor will select legal counsel for the defense of the matter for that party with is indemnified, Any party receiving indemnification must cooperate in the defense of the matter, and no settlement or compromise shall be effective as to the indemnitor unless the indemnitor has given its prior written consent. The obligations set forth hereunder shall survive termination or expiration of this Agreement for any reason.

6.2.2. The obligations set forth in this Section 6 shall survive termination or expiration of this Agreement for any reason.

7. Term and Termination of the Agreement

7.1. Term. With respect to services being provided by the Group at SSMC, this Agreement shall commence on September 1, 2011 ("SSMC Effective Date"). At such time that the parties shall mutually agree to in writing, this Agreement shall commence with respect to services being provided by the Group at MVH ("MVH Effective Date"). This Agreement shall be for an initial term of thirty-six (36) months commencing on the SSMC Effective Date (as may be extended, the "Term"). The parties agree that on or before the date that is one-hundred twenty (120) days prior to the end of the Term, the parties shall meet and negotiate in good faith a renewal of this Agreement, or shall provide written notice of intent not to renew. In the event that either party does not provide the other party with written notice of intent not to renew this Agreement, then this Agreement shall renew for an additional one year Term.

7.2. Termination.

7.2.1. Termination by Agreement. In the event Hospitals and Group shall mutually agree in writing, this Agreement may be terminated on the terms and date stipulated therein.

7.2.2. Termination Without Cause. After the first year of the Agreement, either party may terminate this Agreement, without cause, upon ninety (90) days prior written notice given to the other party.

7.2.3. Termination on Notice for Default. Subject to Section 7.2.6 below, either party may terminate this Agreement upon thirty (30) days prior written notice to the other upon a breach hereof, which breach has not been cured to the reasonable satisfaction of the notifying party within such thirty (30) day period.

7.2.4. Termination on Notice Under Special Circumstances. In the event that any term, covenant, condition or provision of this Agreement is likely, in the reasonable discretion of the Hospital, to jeopardize or interfere with the Hospital's (i) licensure; (ii) participation in Medicare or Medicaid programs; (iii) full accreditation by the Joint Commission; (iv) tax exempt status; or (v) ability to obtain, maintain, modify or amend any tax exempt financing, this Agreement shall be renegotiated so as to eliminate the violation or non-complying aspects hereof. If the parties cannot promptly agree on such renegotiated terms, the Hospital may terminate this Agreement upon one-hundred twenty (120) days' written notice to Group.

7.2.5. Immediate Termination. Notwithstanding anything herein to the contrary either party may terminate this Agreement immediately upon written notice to the other party in the event that; (i) the other party fails to maintain the insurance required hereunder; (ii) the other party loses or has suspended its license or other authority to perform its obligations hereunder; or (iii) the other party is excluded or suspended from participation in the Medicare or Medicaid program.

7.2.6. Limit on Re-negotiation. In the event of termination of this Agreement, the parties agree that they shall not enter into a new, amended or re-negotiated agreement containing revised pricing or compensation terms more than once

during any twelve (12) month period during which this Agreement is in effect, except as provided in section 7.2.4.

7.2.7 Immediate Termination by the Hospital. Notwithstanding anything to the contrary contained herein, or any current or future Bylaw, Rule or Regulation of the Hospital or Medical Staff to the contrary, a Hospital may terminate this Agreement immediately upon written notice to the Group upon the occurrence of any of the following events with respect to the Group or any of the Group Clinicians providing Services at the Hospital unless (a) the Group immediately prohibits such Group Clinician from providing any of the professional medical services or administrative services described in this Agreement, and (b) within ten (10) days, the Group and the Hospital reach an agreement regarding alternative staffing for the Department. In the event that the Group must arrange for alternative staffing, the Group will be responsible at its sole expense to ensure that the staffing requirements of Sections 1.2.1 and 2.3.3 are met.

(a) Loss, limitation or suspension of clinical privileges at a Hospital for any reason, or at any other health care institution for reasons relating to professional competence;

(b) Censure of, or the taking of any other disciplinary action by any board, institution, organization or professional society having any privilege or right to pass upon such Group Clinician's conduct;

(c) Failure of a Group Clinician to maintain an unrestricted license to practice medicine in the State of New York;

(d) Conviction of, pleas of guilty to, or pleas of no contest to, a crime, other than a minor traffic offense;

(e) Exclusion from participation in any federal health care insurance program, including Medicare or Medicaid for any reason; and

(f) In the reasonable discretion of a Hospital's Senior Vice President, the Group Clinician's conduct is sufficiently disruptive as to adversely impact the operations of the Hospital.

The Group shall immediately notify the Hospital in writing upon the occurrence of any of the events described in this Section 7.2.7.

7.2.8 Termination Upon Notice. Notwithstanding anything to the contrary contained herein, or any current or future Bylaw, Rule or Regulation of the Hospital or the Medical Staff to the contrary, the Hospital may terminate this Agreement upon thirty (30) days' written notice to the Group upon the occurrence of any of the following events:

(a) The Group engages in a pattern of conduct involving repeated breaches followed by remedial action within the thirty-day period as provided for in Section 7.2.3; or

(b) The Group fails to make reasonable attempts to become or remain a participating provider with any third-party payor with which the Hospitals are a participating provider as required in Section 2.7.

7.2.9. Effects of Termination. Upon termination of this Agreement as herein above provided, neither party shall have any further obligation hereunder except for ; (i) obligations accruing prior to the date termination; and (ii) obligations, promises or covenants contained herein which are expressly made to extend beyond the term of this Agreement.

8. Miscellaneous.

8.1. Notices. Any notice, demand or communication required, permitted or desired to be given hereunder shall be deemed given when personally delivered (with signed delivery receipt), or delivered by U.S. Mail or any other reputable delivery service which, in both cases, obtains a signed delivery receipt, addressed as follows:

Group:

Orange Pathology Associates, P.C.
156 Route 59, Suite B4
Suffern, New York 10901
Attn: Schuyler Newman, M.D.

Hospitals:

Sound Shore Medical Center of Westchester
16 Guion Place
New Rochelle, New York 10802
Attn: John R. Spicer, President and CEO
John Mamangakis, Senior Vice President, Operations

The Mount Vernon Hospital

12 North Seventh Avenue
Mount Vernon, New York 10550
Attn: John Mamangakis, Senior Vice President, Operations

8.2. Compliance with New York State Health Regulations. The New York State Health Regulations require the following provisions in the Agreement; (i) the parties to this Agreement shall comply with those provisions of Chapter V of Title 10 of the New York Codes, Rules and Regulations which are binding on that party under the law of the State of New York; and (ii) notwithstanding any other provision in this contract, Hospitals remain responsible for ensuring that any service provided pursuant to this contract complies with all pertinent provisions of federal, state and local statutes, rules and regulations.

8.3. Governing Law. This Agreement has been executed and delivered in and shall be interpreted, construed and enforced pursuant to and in accordance with the laws of the State of New York

8.4. Assignment. No assignment of this Agreement of the rights and obligations hereunder shall be valid without the specific written consent of the parties hereto.

8.5. Waiver of Breach. The waiver by a party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

8.6. Severability. In the event of any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.

8.7. Amendment. This Agreement may be amended only by a written instrument executed by the parties.

8.8. Entire Agreement. This Agreement supersedes all previous contracts and constitutes the entire Agreement between the parties. Group shall be entitled to no benefits other than those specified herein. No oral statements of prior written material not specifically incorporated herein shall be of any force and effect and no changes in or additions to this Agreement shall be recognized unless incorporate herein by amendment as provided herein, such amendments(s) to become effective on the date stipulated in such amendment(s). Group specifically acknowledges that in entering into and executing this Agreement that it relies solely upon the representations and agreements contained in this Agreement and no others.

8.9. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original and all which taken together shall constitute a single instrument.

8.10. Use of Name. Neither the Group nor the Hospitals shall use the name of the other in any format or for any purpose, without the prior written consent of the other party in each instance.

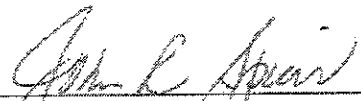
8.11. Eligibility for Government Programs. Group represents that (i) it has not been convicted of a criminal offense related to health care; and (ii) it is not currently listed by a federal agency as debarred, excluded or otherwise ineligible for participation on federally funded health care programs. Group shall notify Hospitals immediately, in writing, of any change in this representation during the term of this Agreement. Such change in circumstances shall constitute cause by the Hospitals to immediately terminate this Agreement. For purposes of this paragraph, "Group" is defined as the entity entering into this contract, and/or its principals, employees, independent contractors, directors and officers and shareholders.

8.12. Personal Inducements. Group represents and warrants that no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered or will be paid distributed by or on behalf of Group to Hospitals and/or the officers, directors, trustees, employees or independent contractors of Hospitals or its member hospitals, or to any other person, party or entity affiliated with Hospitals or its member hospitals, as an inducement to purchase or to influence the purchase of services by Hospitals from Group.

8.13. Conflicts of Interest. Group represents that it has disclosed to Hospitals all relationships or financial interests that may represent or could be construed as a conflict of interest with respect to Group's transaction of business with Hospitals. Except as may be disclosed in writing by Group, Group further represents that no employee, independent contractor, director or officer of Hospitals or any member facility of Hospitals is a partner, member or shareholder of, or, has a financial interest in Group. For purposes of this Section, the term "financial interest" shall include, but not limited to, the following transactions or relationships between an employee, independent contractor, director, trustee or officer of Hospitals or any member facility of Hospitals and Group; (a) consulting fees, honoraria, gifts or other emoluments, or "in kind" compensation; (b) equity interests, including stock options, of any amount in a publicly or non-publicly traded company (or entitlement to the same); (c) royalty income (or other income) or the right to receive future royalties (or other income); (d) any non-royalty payments or entitlements to payments; or (e) service as an officer, director or in any other role, whether or not remuneration is received for such service. A breach of any representation under this Section shall be grounds in immediate termination of this Agreement. Group agrees to comply with Hospitals' Conflict of Interest Policy set forth on Exhibit E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

SOUND SHORE MEDICAL CENTER OF WESTCHESTER

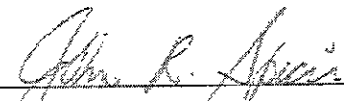
By: 

Name: John R. Spicer

Title: President and CEO

Date: 6/31/11

THE MOUNT VERNON HOSPITAL

By: 

Name:

Title:

Date:

ORANGE PATHOLOGY ASSOCIATES, P.C.

By: 

Name: Schuyler Newman, M.D.

Title: President

Date: 30 Aug 11

EXHIBIT A

The following is a list of General Administrative Services:

Educational activities -

- Medical Staff
- Medical Students - interns and residents
- Medical technologists and students
- Other hospital personnel
- Presentation and participation in medical staff educational conferences

Committee Responsibilities:

- Transfusion
- Tissue
- Credentials
- Cancer
- Quality Improvement
- Infection Control
- Medical Board
- Tumor Board
- Other committees, as needed

Establishment of Department Organization Structure:

- Personnel selection

Ensure Compliance with Accrediting Agencies:

- Joint Commission
- AABB
- New York State Department of Health
- CLIA
- CAP

Evaluation and Monitoring of Instruments and Procedures

- Direction of point of care testing
- Evaluate new technology
- Approve procedures for obtaining specimens for satisfactory evaluation
- Assure prompt performance of adequate examinations in sufficient depth to meet the needs of patients
- Assume responsibility for all laboratory reports, including assurance of delivery to appropriate persons with avoidance of misinterpretation
- Perform annual review of all clinical laboratory procedures
- Ensure that procedures and tests outside the capabilities of the department are not performed

Space Planning

Fiscal Management

- Increase market share
- Develop, maintain and grow hospital outreach programs.
- Evaluation of contracted laboratory services.

Laboratory Information System:

- Anatomic
- Clinical
- Interfaces
- Other information systems

Strategic and project planning

- Explore new service opportunities.
- Involvement in HMO, MSO, and PHO activities.

Ensure Corporate Compliance program

- Ensure HIPPA compliance.
- Ensure correct CPT and ICD-9 coding.
- Monitor pathologists' performance.

Interaction with other hospital departments.

- Integrating the pathology department and clinical laboratory into the organization's primary functions.
- Coordinate and integrate interdepartmental services.
- Develop and implement interdepartmental policies and procedures.

Provide 24-hour a day medical consultation services including clinical consultations, frozen section examinations, and autopsies.

Credentialing – Participate in credentialing and other peer review activities, including physician discipline, as necessary.

Managed Care Matters – Work cooperatively with Hospitals to obtain contracts with managed care organizations and other third party payors, and facilitate delivery of quality patient care in accordance with the requirements of such organizations and payors.

Liaison – Serve as the liaison to the Hospitals with regard to all Services provided in accordance with this Agreement.

Relationship with Hospital Staff – Work collaboratively with other members of the Medical Staff and the Hospital administrators, managers and support services personnel in the administration of services within the Department.

Records – Maintain such records, and prepare or assist in the preparation of such reports, as may be necessary in order to comply with the requirements of any governmental agency, accrediting body, funding source or similar entity.

Assume professional medical responsibility and liability for above services.

EXHIBIT B

HPS Fee Schedule

TEST NAME	CPT CODES	FEE
CYTOGENETICS (BLOOD, BONE MARROW, LYMPH NODE)		\$500.00
CYTOGENETICS (PRODUCTS OF CONCEPTION)		\$500.00
BCR/ABL		\$500.00
KRAS		\$500.00
BRAF		\$500.00
EGFR		\$650.00
MSI		\$650.00
JAK 2		\$400.00
IgVH MUTATION ANALYSIS		\$500.00
ABL KINASE MUTATION		\$400.00
T AND B CELL GENE REARRANGEMENTS		\$500.00
BCL 2		\$500.00
PML/RARA		\$400.00
AMI/ET 0		\$400.00
IMMUNOHISTOCHEMISTRY (INCLUDES ER PR & HER-2)		
TC ONLY EACH UNIT	88342	\$100.00
FISH (HER-2)		
TC ONLY	88367 x 2	\$500.00
FISH (HEM; EACH PROBE)		

TC ONLY EACH PROBE	88368	\$250.00
FISH (UROLOGY 3-5 PROBES)		
TC ONLY	88120	\$500.00
FLOW CYTOMETRY; COMPREHENSIVE		
TC ONLY		\$1,800.00
FLOW CYTOMETRY; LYMPHOPROLIFERATIVE		
TC ONLY		\$1,500.00
FLOW CYTOMETRY; PLASMA CELL PANEL		
TC ONLY		\$1,500.00
FLOW CYTOMETRY; PNH PANEL		
TC ONLY		\$500.00
FLOW CYTOMETRY; ZAP 70 PANEL		
TC ONLY		\$500.00

EXHIBIT C

PERFORMANCE INDICATORS

As provided in Section 1.7 of this Agreement, the Senior Vice President or his or her designee will perform a performance evaluation regarding the Services being provided by the Group. The expectations and indicators to be evaluated will include, but not be limited to, the following:

- A. Physician Satisfaction. The Group will work with the Hospitals to achieve physician satisfaction goals. The goals will be set on an annual basis and results will be measured annually. Action plans developed cooperatively between the Group and the Hospitals to achieve these goals will be developed and implemented on an annual basis at minimum and as needed.
- B. Patient Satisfaction. The Group will work with the Hospitals to achieve patient satisfaction goals. The goals will be set on an annual basis and results will be measured monthly. Action plans developed cooperatively between the Group and the Hospital to achieve these goals will be developed and implemented on a quarterly basis at minimum and as needed.
- C. Report Turnaround Time
 - 1. Frozen Section Turnaround Time: 95% of Frozen Section reports shall be available to surgeon within fifteen (15) minutes of specimen receipt (single specimen criteria).
 - 2. Autopsy Turnaround Time: Preliminary Autopsy Diagnosis (PAD) available within one (1) business day of autopsy consent. Final Autopsy Diagnosis (FAD) available within sixty (60) days.
 - 3. Discrepancies: All discrepancies (frozen section to final diagnosis) shall be graded and contain resolutions and appropriate follow-up.
 - 4. Transfusion Reaction Reports: Transfusion Reaction reports shall be reviewed and signed within one (1) business day of notification of incident.
 - 5. The Group shall provide an "exceptions" report to the Hospitals containing specimens submitted for diagnosis that fail to meet minimum submission guidelines.
 - 6. Final Diagnoses: 95% of final diagnoses for routine biopsies shall be available to the surgeon within one (1) business day. Cases requiring decalcification, extra fixation time or special studies will be excluded from this calculation.

EXHIBIT B



ORANGE PATHOLOGY ASSOCIATES P.C.

156 ROUTE 59, SUITE B4, SUFFERN, NY 10901

845-369-4200

FAX: 201-661-7297

May 21, 2013

SOUNDSHORE MEDICAL CENTER OF WESTCHESTER

16 Guion Place

New Rochelle, New York 10802

Attn: John R. Spicer, President and CEO, John Mamangakis, Senior Vice President, Operations

THE MOUNT VERNON HOSPITAL

12 North Seventh Avenue

Mount Vernon, New York 10550

Attn: John Mamangakis, Senior Vice President, Operations

Re: Pathology Services Agreement, dated August 30, 2011, by and among Sound Shore Medical Center of Westchester ("SSMC"), The Mount Vernon Hospital ("MVH" and, together with SSMC, collectively, the "Hospital"), and Orange Pathology Associates, P.C. ("OPA") (the "Agreement")

Gentlemen:

Reference is made to the Agreement. As you know, the Hospital remains in default of its financial obligations under the Agreement to OPA. As of May 1, 2013, the aggregate past due amounts owed to OPA by the Hospital (based on prior billings) was \$119,673.11 consisting of \$108,333.32 of Administrative Services Fees due on or before May 1, 2013, and \$11,339.79 of Medicaid, Medicaid Managed Care, Charity and Uncompensated Care charges billed through March 31, 2013. During a follow-up review of the contract, it was noted that, under Section 5.3.1 of the Agreement, OPA was due a \$1,000 per month increase in the Administrative Services Fee commencing on September 1, 2012. Taking such increase into account, the aggregate amount owed for Administrative Services Fees as of May 1, 2013 is \$117,333.32 and therefore the total amount past due is \$128,673.11. Without waiver of any rights of OPA under the Agreement, this letter shall serve as thirty (30) days prior written notice pursuant to Section 7.2.3 of the Agreement of OPA's determination to terminate the Agreement for breach of the payment obligations. Accordingly, if all past due amounts are not paid on or before June 21, 2013, OPA's obligations to continue to perform services under the Agreement shall terminate.

Please note that the June Administrative Services Fee of \$28,083.33 is due on June 1, 2013, and the April Uncompensated Care invoice of \$7,917.58 also will be due by such date. Accordingly, the total amount due OPA will be \$164,674.02.

Nothing contained herein is intended to constitute a waiver of any rights of OPA under the Agreement, including, but not limited to, for payments due in respect of all services and charges through the final termination date whether or not such payments are currently past due or remain to be invoiced, all of which are expressly reserved.

We appreciate having had the opportunity to provide services to the Hospital and its patients and wish you and your colleagues well as you address the ongoing constraints facing the Hospital.

Sincerely,

Nader Okby, M.D.
President, Orange Pathology Associates

EXHIBIT C

D Pg 4 of 6

Orange Pathology Associates, P.C.

156 RT 59
Suffern, NY 10901

(845) 369-4200
Fax (845) 369-4201

August 14, 2013

Burton S. Weston, Esq.
Garfunkel Wild, P.C.
111 Great Neck Road
Sixth Floor
Great Neck, NY 11021

Re: Sound Shore Medical Center Post Bankruptcy Petition Filing Invoices

Dear Mr. Burton,

In the absence of Mr. Mamangakis, we do not have a contact person for the processing and payment of invoices for services rendered by Orange Pathology Associates, P.C. at Sound Shore Medical Center during the post-bankruptcy petition filing period, so I was advised to submit the invoices to you for processing. I have attached the following invoices for services that OPA has provided post-bankruptcy petition filing, and they are:

Part A Services:

Invoice 52013	\$ 2,717.76
Invoice 72013	\$28,083.33
Invoice 82013	\$28,083.33
Total Part A Services	\$58,884.42

Pass-Through Services:

Invoice 67697	\$10,820.68
Invoice 88461	\$10,490.46
Invoice 106699	\$ 3,299.89
Total Pass-Through Services	\$24,611.03

I have attached detail for the invoices above for your information. At this time, I am requesting that you forward these unpaid, post-bankruptcy petition filing invoices to the appropriate parties for processing as soon as practicable. I would also request that in the absence of Mr. Mamangakis, you identify the person responsible for processing our future invoices.

In the past Sound Shore staff have made wire transfers into our account, and if they need to obtain wire instructions again, please have them contact Amy Waldheim at 845-369-4200 (X332).

Your assistance in this matter is greatly appreciated. In the event that you have any questions in this matter, or you need additional information to process these post-bankruptcy petition filing invoices, please feel free to contact me at 201-934-2976 or via email at mkirschenbaum@pathlinelabs.com.

Very truly yours,

Marc Kirschenbaum
CFO

cc: Edward Berlin
Dawn Kirby

EXHIBIT D

Pathology Services Contract Review

Soundshore Medical Center
Total Outstanding - Post Bankruptcy Petition Filing

Month of Activity	Part A Services Payable to Orange Pathology Associates		Date	Pass Through Services (Inc Charity) Payable to Orange Pathology Associates		Total Services Grand Total-OPA	
	Billed	Paid		Billed	Paid	Billed	Paid
May 29-31, 2013	\$ 2,717.74	\$ 2,717.74	8/22/13			\$ 2,717.74	\$ 2,717.74
June, 2013	\$ 28,083.33	\$ 28,083.33	6/28/13	\$ 4,263.62		\$ 32,346.95	\$ 28,083.33
July, 2013	\$ 28,083.33	\$ 28,083.33	8/30/13	\$ 2,594.94		\$ 30,678.27	\$ 28,083.33
August, 2013	\$ 28,083.33	\$ 28,083.33	9/12/13	\$ 15,088.27		\$ 43,171.60	\$ 28,083.33
September, 2013	\$ 28,083.33					\$ 28,083.33	\$ -
October, 2013	\$ 28,083.33					\$ 28,083.33	\$ -
Totals	\$ 143,134.39	\$ 86,967.73		\$ 21,946.83	\$ -	\$ 165,081.22	\$ 86,967.73

Balance Due Post Petition \$ 56,166.66 \$ 21,946.83 \$ 78,113.49

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

SOUND SHORE MEDICAL CENTER
OF WESTCHESTER, et al.

Chapter 11
Case No. 13-22840 (RDD)

Debtor.

-----X

**ORDER COMPELLING PAYMENT OF POST-PETITION ADMINISTRATIVE
EXPENSE CLAIMS OF ORANGE PATHOLOGY ASSOCIATES, P.C.**

UPON consideration of the motion (the “Motion”) of Orange Pathology Associates, P.C., by its counsel DelBello Donnellan Weingarten Wise & Wiederkehr, LLP, for an Order order pursuant to 11 U.S.C. § 503(b)(1) and 507(a) for an order compelling immediate payment of post-petition administrative expense claims; and a hearing (the “Hearing”) having been held before this Court to consider the Motion on December 12, 2013; and upon the record made at the Hearing; and no objection having been filed or having been overruled; it is hereby

ORDERED, that the motion is granted; and it is further

ORDERED, that the Debtors Sound Shore Medical Center of Westchester and The Mount Vernon Hospital are directed to pay Orange Pathology Associates, P.C. \$_____ on or before December ____, 2013.

Dated: White Plains, New York
December ____, 2013

HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE