McGUIREWOODS LLP
800 East Canal Street
Richmond, Virginia 23219
Telephone: (804) 775–1000
Facsimile: (804) 775–1061
Dion W. Hayes (VSB No. 34304)
K. Elizabeth Sieg (VSB No. 77314)
Kyle R. Hosmer (VSB No. 86417)

Counsel to G. Russell Warnick

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

***In re*:** **Health Diagnostic Laboratory, Inc., *et al.*,** **Debtors.**	Chapter 11 Case No. 15–32919 (KRH) Jointly Administered
G. RUSSELL WARNICK, **Plaintiff,** **v.** **HEALTH DIAGNOSTIC LABORATORY, INC., INTEGRATED HEALTH LEADERS, LLC, and TRUE HEALTH DIAGNOSTICS, LLC,** **Defendants.**	Adv. Proc. No. _____

COMPLAINT

G. Russell Warnick, by and through his undersigned counsel, submits this Complaint seeking a declaratory judgment or, in the alternative, relief under Federal Rule of Civil Procedure 60 and Federal Rule of Bankruptcy Procedure 9024 from the Court's *Order (I) Approving Asset Purchase Agreement and Authorizing the Sale of Assets of the Debtors Outside the Course of Business, (II) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Encumbrances*

and Interests, (III) Authorizing the Assumption and Sale and Assignment of Certain Executory Contracts and Unexpired Leases and (IV) Granting Related Relief [Docket No. 512] (the "Sale Order").[1] In support thereof, Mr. Warnick states the following:

INTRODUCTION

1. On June 7, 2015, Health Diagnostic Laboratory, Inc. ("HDL") and two of its subsidiaries, Central Medical Laboratory, LLC and Integrated Health Leaders, LLC ("Integrated Health"; collectively, the "Debtors"), filed in this Court voluntary petitions under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

2. In September, 2015, with the approval of the Court, the Debtors sold substantially all of their operating assets to True Health Diagnostics, LLC ("True Health"; the "True Health Sale").

3. Under the asset purchase agreement with True Health, the Debtors granted expansive releases to more than eighty (80) entities. In doing so, the Debtors represented and purported to have the authority to act for, *inter alia*, themselves and their subsidiaries, officers, directors, and shareholders—including Mr. Warnick.

4. But Mr. Warnick did not authorize the Debtors to release any of his claims against those entities. Nor did Mr. Warnick even know the release of any of his claims against such entities was contemplated. Indeed, Mr. Warnick did not learn of the releases purportedly provided to more than eighty (80) entities in his name until weeks after the True Health Sale closed.

5. Nevertheless, HDL and its subsidiaries represented to this Court that they could legally provide these expansive releases on behalf of Mr. Warnick. The Court relied upon this

[1] All docket entries referenced in this Complaint refer to the Court's docket in *In re Health Diagnostic Laboratory, Inc. et al.*, No. 15–32919–KRH (Bankr. E.D. Va.).

representation when it approved the True Health Sale and the corresponding releases—including the releases allegedly authorized by Mr. Warnick.

6. Because the releases were not authorized by Mr. Warnick and were granted in violation of his rights, Mr. Warnick now asks the Court to declare the releases purportedly granted on his behalf to be wholly without legal effect and unenforceable against him, his subrogees, insurers, and successors in interest (collectively, the "Warnick Parties"). In the alternative, Mr. Warnick asks the Court to relieve the Warnick Parties from the Sale Order under Federal Rule of Civil Procedure 60 and Federal Rule of Bankruptcy Procedure 9024.

STATEMENT OF PARTIES AND NATURE OF ACTION

7. Mr. Warnick is a resident of Virginia. He is a current Director and shareholder and the former Chief Scientific Officer of HDL.

8. HDL is a Virginia corporation.

9. Integrated Health is a Virginia limited liability company and subsidiary of HDL.

10. True Health is a Delaware limited liability company with its principal place of business in Frisco, Texas.

11. On June 7, 2015, each of the Debtors filed in this Court a voluntary petition under chapter 11 of the Bankruptcy Code. The Court granted the Debtors' motion for joint administration by order dated June 9, 2015. [Docket No. 42.]

12. Mr. Warnick commences this adversary proceeding under Federal Rules of Bankruptcy Procedure 7001 *et seq*.

13. Mr. Warnick seeks a declaration under 28 U.S.C. § 2201 that the releases allegedly granted on his behalf as part of the True Health Sale are without legal effect and unenforceable against the Warnick Parties. In the alternative, Mr. Warnick seeks relief for

himself and the other Warnick Parties from the Sale Order pursuant to Federal Rule of Civil Procedure 60 and Federal Rule of Bankruptcy Procedure 9024.

JURISDICTION AND VENUE

14. This action is a core proceeding and arises in a case under Title 11 of the Bankruptcy Code. This Court has jurisdiction pursuant to 28 U.S.C. § 157(a), (b)(1).

15. Because the Debtors filed their chapter 11 petitions in this Court, venue in this Court is proper under 28 U.S.C. § 1409(a). Venue is also proper under 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to this action occurred in this district.

FACTUAL ALLEGATIONS

16. Early in their bankruptcy cases, the Debtors determined that a sale of substantially all of their operating assets was in the interests of the estate and their creditors.

17. As part of the sale, the Debtors negotiated an expansive "Sellers Release" clause to be included within the Asset Purchase Agreement by and among True Health, HDL, and Integrated Health dated September 29, 2015 (the "APA").[2]

18. The Sellers Release clause—Section 3.1 of the APA—provides that,

> [e]ffective upon the Closing, each of the Sellers, for itself and all of its predecessors, Affiliates, Subsidiaries, heirs, estates, successors and assigns, and for all of their respective officers, directors, trustees, principals, managers, partners, shareholders, members, employees, attorneys, representatives, and agents . . . hereby jointly and severally release the Persons listed on Schedule 3.1 . . . from any and all claims, actions, causes of action, suits, liabilities, obligations, demands grievances, debts, sums of money, agreements, promises, damages, rights to reimbursement, rights to contribution, rights to indemnification, costs, expenses, attorneys' fees, injunctive relief, disgorgement, restitution, and all other rights and remedies of any type, whether known or unknown, whether in law or in equity, and whether based upon and federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common

[2] The APA, excluding schedules and other attachments, is attached hereto as Exhibit A. Capitalized terms not otherwise defined herein are given the meaning accorded to them by the APA.

> law source, or any other source, except for claims that may arise under this agreement[.]

19. Schedule 3.1 to the APA, in turn, enumerates the parties released (together with the Sellers Release clause, the "Secret Release").[3] Specifically, it lists four categories of parties to receive releases, comprised of two entities and over eighty individuals. Schedule 3.1 also includes twelve categories of entities that are specifically excluded from the Sellers Release clause.

20. HDL, Integrated Health, and True Health are the only entities that executed the APA.[4] However, HDL and Integrated Health represented and warranted that they acted on behalf of a number of other parties in granting the releases. *See* APA at 1, §§ 3.1, 5.2 and Sale Order at ¶ Q. But the APA provides that, "[N]othing contained herein, express or implied, is intended to confer on any Person other than the parties hereto . . . any . . . obligations . . . under or by reason of this Agreement." APA at § 11.9.

21. In addition, the APA contains a severability clause. That clause states that

> [i]f any term, provision, covenant or restriction contained in [the APA] is held by a court of competent jurisdiction to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in [the APA] shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and [the APA] shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable term, provision, covenant or restriction or any portion thereof had never been contained [t]herein.

Id. § 11.19.

[3] Schedule 3.1 was filed under seal by Mr. Warnick on February 4, 2016, in connection with his Disclosure Statement Limited Objection at [Docket No. 835].

[4] Leon Capital Group, LLC joined Section 11.18 of the APA for the limited purpose of guaranteeing payment of the cash portion of the Purchase Price required to be paid at closing pursuant to Section 4.2(a) of the APA.

22. In relevant part, HDL and Integrated Health purported to jointly and severally release the Released Parties with respect to individual claims of, *inter alia*, each of the Debtors' officers, directors, and shareholders.

23. Mr. Warnick is included among this group whose rights and claims HDL and Integrated Health purportedly released.

24. Although the Debtors purported to exercise authority over the legal rights of directors, officers, shareholders, and other non-signatories to the APA, the Debtors' professionals elected not to involve those parties in the negotiation or execution of the Secret Release, with two exceptions: the Debtors' Board formed a Special Transaction Committee, composed of Directors Joseph McConnell and John Young, which was tasked with negotiating the APA and assisted by Rick Arrowsmith of Alvarez & Marsal in his capacity as a consultant. However, the Special Transaction Committee was not and could not have been authorized to release any claims on behalf of any person or entity other than the Debtors themselves.

25. By design, the HDL Board of Directors was excluded from the process as it relates to the Secret Release. The Official Committee of Unsecured Creditors of HDL (the "Committee") (or its counsel) had a substantial (if not the primary) role in negotiating and drafting Schedule 3.1. The Committee was "directly involved in negotiating the terms of schedule 3.1 to assist the debtors in ensuring that no one was released unintentionally." [Docket No. 540], Hr'g Trans. at 14:8–10 (Sept. 16, 2015) (colloquy of Jason Harbour).

26. Mr. Warnick was excluded by the Debtors' professionals from the process leading to the construction of the Secret Release.

27. Mr. Warnick was not even provided notice that the Debtors intended to release his valuable legal rights and claims against the Released Parties for their benefit. As the Debtors

informed the Court, "[t]here were valid reasons that [the True Health transaction] wasn't shared with the whole board." Hr'g Trans. at 88:15–16 (Dec. 10, 2015) (colloquy of Jason Harbour).

28. Worse still, the Debtors and True Health appear to have colluded to keep Schedule 3.1 secret from the HDL Board of Directors. Though not subject to a seal order, the Debtors and True Health apparently agreed, without Court approval of the Debtors' commitment, to seek to maintain the confidentiality of Schedule 3.1. Indeed, Schedule 3.1 was not filed with the Court, even in sealed form, until Mr. Warnick filed his objection to the Debtors' Disclosure Statement. [Docket No. 835] (under seal).

29. Mr. Warnick never authorized the Debtors or their agents to grant the Secret Release on his behalf. Nor could he have: he did not even have access to the Secret Release until weeks after the True Health Sale closed.

30. This is problematic for a number of reasons. Not least is that the Debtors led the Court to believe they possessed the authority to execute and effectuate the Secret Release on behalf of Mr. Warnick and other non-signatories to the APA. With respect to Mr. Warnick and likely numerous other non-signatories, the Debtors lacked such authority.

31. At the sale hearing itself, it was represented to the Court that "the [D]ebtors' estate had to sign up in the True Health bid and APA for certain releases of certain limited parties[.]" [Docket No. 540], Hr'g Trans. at 17:16–18 (Sept. 16, 2015) (colloquy of Richard Kanowitz). The implication of this statement was that *only* the Debtors would be granting the Secret Release.

32. The Debtors claimed that they negotiated the APA and Secret Release in good faith, that the terms and conditions of such are fair and reasonable, and that the APA was authorized and approved in all respects. *See* [Docket No. 176] at ¶ 42, Ex. A at ¶ 18 and [Docket

No. 489] at Ex. B at ¶¶ P, Q, S, Z, 4, 8–9. To the contrary, Mr. Warnick did not authorize the Debtors to release any party on his behalf. Thus, all three representations were demonstrably false with respect to the Secret Release.

33. Despite these issues, the Debtors asked the Court to approve the True Health Sale by motion on June 29, 2015. [Docket No. 176.] The Court did so on September 17, 2015. [Docket No. 512.] Twelve days later, on September 29, 2015, HDL, Integrated Health, and True Health closed the sale under the APA.

34. Mr. Warnick did not sign the APA or any of the sale documents—he did not even have access to the Secret Release until weeks after the True Health Sale closed. In all likelihood, most of the individuals purportedly bound by the Secret Release have never seen the Secret Release.

35. Mr. Warnick did not intend to forego his ability to assert claims against the Released Parties; nor would he have executed a release to that effect had he known it was being contemplated as part of the True Health Sale.

36. The Secret Release is void as to Mr. Warnick for lack of consideration, lack of authorization, and lack of due process.

37. Consequently, the Court must clarify that the Warnick Parties are not bound by the Secret Release impermissibly given in Mr. Warnick's name by the Debtors' unauthorized action. If the Court fails to act, it will have enabled the theft, conversion, and involuntary abandonment of Mr. Warnick's legal rights. The Court should not countenance this impermissible and inequitable conduct.

FIRST CLAIM FOR RELIEF

(DECLARATORY RELIEF UNDER 28 U.S.C. § 2201)

38. Mr. Warnick incorporates herein by reference all of the foregoing allegations.

39. In the Secret Release, the Debtors purport to release on behalf of Mr. Warnick over eighty entities from all liability.

40. But Mr. Warnick did not authorize, consent to, or even know the Debtors were contemplating that action. Indeed, Mr. Warnick did not learn of the Secret Release until long after the True Health Sale closed. Moreover, Mr. Warnick did not receive any consideration on account of the Secret Release.

41. Thus, with respect to Mr. Warnick, the Debtors' action is unauthorized, *ultra vires*, void, illegitimate, illusory, and lacking consideration.

42. Accordingly, under 28 U.S.C. § 2201, Mr. Warnick is entitled to and seeks a declaration from the Court that the Secret Release does not legally bind the Warnick Parties in any respect whatsoever. The Court should further declare that no person or entity—including the Debtors, True Health, the Committee, and any of the Released Parties—can enforce the Secret Release against the Warnick Parties. Other individuals purportedly bound by the Secret Release without authorization, consideration, or due process may be entitled to similar relief.

SECOND CLAIM FOR RELIEF

(RELIEF FROM THE SALE ORDER UNDER FEDERAL RULE OF CIVIL PROCEDURE 60 AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 9024)

43. Mr. Warnick incorporates herein by reference all of the foregoing allegations.

44. In the alternative, the Warnick Parties are entitled to and request relief from the Court's Sale Order under Federal Rule of Civil Procedure 60 and Federal Rule of Bankruptcy Procedure 9024.

45. Specifically, the Debtors represented to the Court that they possessed the authority to act for Mr. Warnick in granting the Secret Release when they did not.

46. Thus, the Warnick Parties must be relieved from the Court's order approving the APA because of mistake, surprise, misrepresentation, fraud, misconduct, and lack of due process such that the Secret Release does not bind them and no entity can enforce it against them.

47. In addition, Schedule 3.1 to the APA, of which Mr. Warnick did not learn until after the Court approved the True Health Sale and long after such sale closed, constitutes newly discovered evidence for which the Warnick Parties are entitled to relief from the order.

CONCLUSION

Wherefore, for the foregoing reasons and others as the Court may consider, Mr. Warnick respectfully requests that the Court declare the releases granted by the Debtors in Section 3.1 of the APA and Schedule 3.1 thereto to be wholly without legal effect and unenforceable against the Warnick Parties. In the alternative, Mr. Warnick asks the Court to relieve the Warnick Parties from its Sale Order, pursuant to Federal Rule of Civil Procedure 60 and Federal Rule of Bankruptcy Procedure 9024.

Mr. Warnick further asks for attorneys' fees and costs and such other relief as the Court considers equitable and just.

Dated: February 9, 2016
Richmond, Virginia

G. RUSSELL WARNICK

By: */s/ Dion W. Hayes*

Dion W. Hayes (VSB No. 34304)
K. Elizabeth Sieg (VSB No. 77314)
Kyle R. Hosmer (VSB No. 86417)
McGUIREWOODS LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219
Telephone: (804) 775-1000
Facsimile: (804) 698-2255

Counsel for G. Russell Warnick

74688723

EXHIBIT A

Asset Purchase Agreement

EXECUTION COPY

ASSET PURCHASE AGREEMENT

dated as of September 29, 2015

among

TRUE HEALTH DIAGNOSTICS, LLC,

as Buyer,

and

HEALTH DIAGNOSTICS LABORATORY, INC. and

INTEGRATED HEALTH LEADERS, LLC,

as Sellers

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is made and entered into as of this 29th day of September, 2015, by and among True Health Diagnostics, LLC, a Delaware limited liability company ("Buyer"), Health Diagnostic Laboratory, Inc., a Virginia corporation ("HDL"), and Integrated Health Leaders, LLC, a Virginia limited liability company ("IHL"). Each of HDL and IHL is sometimes hereinafter referred to as a "Seller," and collectively HDL and IHL are sometimes hereinafter referred to as "Sellers." Leon Capital Group, LLC, a Texas limited liability company, is joining as a party hereto solely for the purposes of Section 11.18.

WHEREAS, on June 7, 2015 (the "Petition Date"), Sellers, as debtors and debtors-in-possession, each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), jointly administered as Case No. 15-32919 (KRH) (the "Chapter 11 Cases"), in the United States Bankruptcy Court for the Eastern District of Virginia (Richmond Division) (the "Bankruptcy Court");

WHEREAS, on July 15, 2015, the Bankruptcy Court entered an order which, among other things, authorizes Sellers to solicit bids for the sale of all or substantially all of the assets of Sellers pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code (the "Bidding Procedures Order"); and

WHEREAS, on the terms and subject to the conditions set forth herein, Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase, acquire and assume from Sellers, pursuant to sections 105(a), 363 and 365 of the Bankruptcy Code, all of the Purchased Assets and Assumed Liabilities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Unless otherwise defined herein, terms used herein shall have the meanings set forth below:

"Accounts Receivable" means all accounts, notes, interest and other receivables of Sellers, and all claims, rights, interests and proceeds related thereto, including all accounts and other receivables, and notes receivable of Sellers outstanding as of the Closing Date, other than accounts and notes receivable from Affiliates of Sellers.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether by contract, through the ownership of voting securities or otherwise.

"Affiliated Group" means an "affiliated group" as defined in Section 1504 of the Code (or any analogous combined, consolidated or unitary group defined under state, local or foreign income Tax law) of which any Seller is or has been a member.

"Agreement" means this Asset Purchase Agreement, including all the Exhibits and the Schedules hereto, as the same may be amended from time to time in accordance with its terms.

"Allocation" has the meaning set forth in Section 10.4(a) hereof.

"Assignment and Assumption" has the meaning set forth in Section 4.3(d) hereof.

"Assumed Contracts" has the meaning set forth in Section 2.1(f) hereof.

"Assumed Equipment Leases" has the meaning set forth in Section 2.1(e) hereof.

"Assumed Executory Contracts" means the Assumed Contracts, the Assumed Facility Leases and the Assumed Equipment Leases.

"Assumed Facility Leases" has the meaning set forth in Section 2.1(c) hereof.

"Assumed Leased Facilities" means the Leased Facilities identified in the Assumed Facility Leases.

"Assumed Liabilities" has the meaning set forth in Section 2.3 hereof.

"Assumed State and Local Tax Liabilities" means all Liabilities for sales, use, transfer, stamp, documentary, registration, conveyance fees, recording charges and other fees and charges incurred in connection with the transactions contemplated under this Agreement, including the sale and purchase of the Purchased Assets pursuant to this Agreement.

"Auction" means the auction, if any, conducted by Sellers pursuant to the Bidding Procedures Order for all or substantially all of the Purchased Assets in the event a Qualified Bid (as defined in the Bidding Procedures Order) is timely received prior to the Bid Deadline (as defined in the Bidding Procedures Order).

"Bankruptcy Code" has the meaning set forth in the recitals hereto.

"Bankruptcy Court" has the meaning set forth in the recitals hereto.

"Bidding Procedures Order" has the meaning set forth in the recitals hereto.

"Books and Records" means all books and records of Sellers.

"Break-Up Fee" has the meaning set forth in Section 9.2(a) hereof.

"Business" means the Sellers' disease management business and associated diagnostic testing and related wellness services for cardiovascular disease, diabetes and other conditions, but excluding the CML Business.

"Buyer" has the meaning set forth in the preamble hereto.

"Buyer Expenses" means, as of any date of determination, the reasonable fees and out-of-pocket expenses incurred by Buyer on or prior to such date to the extent not previously paid or reimbursed by Sellers in connection with (i) its due diligence regarding Sellers, and (ii) the negotiation, preparation and performance of this Agreement and the transactions contemplated hereby.

"Buyer Released Parties" has the meaning set forth in Section 3.1 hereof.

"Cash" means cash and cash equivalents of Sellers (including marketable securities and short-term investments).

"Chapter 11 Cases" has the meaning set forth in the recitals hereto.

"Claim" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"Closing" has the meaning set forth in Section 4.1 hereof.

"Closing AR Estimate" has the meaning set forth in Section 4.6 hereof.

"Closing AR Adjustment" has the meaning set forth in Section 4.6 hereof.

"Closing Date" has the meaning set forth in Section 4.1 hereof.

"CML Business" means certain assets acquired from Oncimmune, Ltd. which are currently located and operated at a leasehold facility in DeSoto, Kansas and such leasehold facility.

"CMS" has the meaning set forth in Section 2.4(c) hereof.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as reflected in Code Section 4980B and any treasury regulations issued thereunder, and any similar state Laws.

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

"Contract" means any agreement, license, contract, commitment or other binding arrangement or understanding, whether written or oral, to which any Seller is a party and which any Seller is permitted under the Bankruptcy Code to assume and assign other than an Employee Benefit Plan, including any and all amendments and modifications of any of the foregoing, and any waivers received or granted by either or both Sellers with respect to the foregoing.

"Cure Amount" has the meaning set forth in Section 2.4 hereof.

"DOJ Settlement Agreement" means the settlement agreement entered into on March 30, 2015 by and between the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General of the Department of Health and Human Services, the Department of Defense's Defense Health Agency on behalf of the

TRICARE program, and the United States Office of Personnel Management, HDL and Dr. Michael Mayes, Chris Riedel, Scarlett Lutz, and Kayla Webster.

"Employee Benefit Plan" means any "employee benefit plan" (as defined in ERISA § 3(3)) and any other benefit or compensation plan, program, agreement or arrangement maintained, sponsored, or contributed or required to be contributed to by any Seller or any ERISA Affiliate or with respect to which any Seller or any ERISA Affiliate has any Liability.

"Encumbrance" or "Encumbrances" means any lien (statutory or otherwise), encumbrance, security interest, mortgage, collateral assignment, right of setoff, debt, pledge, levy, charge, encumbrance, Tax or Order of any Governmental Authority, option, right of refusal, restriction (whether on transfer, disposition or otherwise), other similar agreement terms tending to limit any right or privilege of Sellers under any Contract, mortgage, lease, deed of trust, hypothecation, indenture, security agreement, easement, license, servitude, proxy, voting trust, transfer restriction under any shareholder or similar agreement, or any other agreement, arrangement, contract, commitment or binding obligation of any kind whatsoever, whether oral or written, or imposed by any applicable law, equity or otherwise.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and all Laws issued thereunder.

"ERISA Affiliate" means any Person that, at any relevant time, is or was treated as a single employer with any Seller for purposes of Code § 414.

"Escrow Agent" has the meaning set forth in Section 2.6 hereof.

"Excluded Assets" has the meaning set forth in Section 2.2 hereof.

"Excluded Liabilities" has the meaning set forth in Section 2.4 hereof.

"Exhibits" means the exhibits hereto.

"Expense Reimbursement" has the meaning set forth in Section 9.2(b) hereof.

"Facility Leases" means all right, title and interest of any Seller in all leases, subleases, licenses, concessions and other written agreements and all written amendments, extensions, renewals, guaranties and other written agreements with respect thereto, pursuant to which any Seller holds a leasehold or subleasehold estate in a Leased Facility.

"Final Order" means an Order as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending.

"Good Faith Deposit" has the meaning set forth in Section 2.6 hereof.

"Governmental Authority" means any federal, state, local, municipal, foreign, supranational or other governmental or quasi-governmental authority of any nature (including any governmental agency, branch, commission, department, official or entity and any court or

other tribunal), or any administrative, executive, judicial, legislative, police, regulatory or taxing authority, or arbitral body.

"HDL" has the meaning set forth in the preamble hereto.

"IHL" has the meaning set forth in the preamble hereto.

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (i) patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, divisionals, extensions and reexaminations thereof, (ii) trademarks, service marks, designs, trade dress, logos, slogans, trade names, telephone numbers, internet domain names, URLs, websites, email addresses and corporate names, and all applications, registrations and renewals in connection therewith, together with all goodwill associated with any of the foregoing, (iii) copyrights, mask works and copyrightable works, and all applications, registrations and renewals in connection therewith, (iv) trade secrets and confidential business information (including ideas, research and development, know-how, inventions, formulas, compositions, manufacturing and production processes and techniques, technical data, customer and supplier lists, designs, drawings, plans and specifications), and all derivatives of any of the foregoing, (v) computer software (including source code, executable code, data, databases and related documentation) and (vi) copies and tangible embodiments of any of the foregoing in whatever form or medium.

"Inventory" means all inventory of any kind or nature, whether or not prepaid, and wherever located, held or owned, including all raw materials, work in process, semi-finished and finished products, replacement and spare parts, packaging materials, operating supplies, and fuels and other and similar items.

"Law" means any law, statute, regulation, code, constitution, ordinance, treaty or Order of, administered or enforced by or on behalf of, any Governmental Authority.

"Leased Facilities" means any land, buildings, structures, improvements, fixtures or other interest in real property which is leased or subleased by any Seller in the operation of the Business, excluding the leasehold facility in DeSoto, Kansas.

"Liability" means any liability, including but not limited to any direct or indirect indebtedness, guaranty, endorsement, warranty, indemnification, product liability, environmental liability, commissions, claim, loss, damage, deficiency, cost, expense, Tax, obligation or responsibility, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

"Order" means any award, decision, decree, order, injunction, ruling, judgment, or consent of or entered, issued, made or rendered by any Governmental Authority.

"Ordinary Course of Business" means the operation of the Business by the Sellers in the usual and ordinary course in a manner substantially similar to the manner in which Sellers operated since the commencement of the Chapter 11 Cases (including with respect to quantity and frequency).

"Person" means any corporation, partnership (including any limited partnership and any limited liability partnership), joint venture, limited liability company, organization, trust, entity, authority or natural person.

"Petition Date" has the meaning set forth in the recitals hereto.

"Proceeding" means any claim, charge, complaint, dispute, demand, grievance, action, litigation, audit, investigation, review, inquiry, arbitration, liability, damage, suit in equity or at law, administrative, regulatory or quasi-judicial proceeding, account, cost, expense, setoff, contribution, attorney's fee or causes of action of whatever kind or character.

"Purchase Price" means the total consideration to be delivered to Sellers pursuant to Section 4.2 hereof.

"Purchased Assets" has the meaning set forth in Section 2.1 hereof.

"Rehired Employees" means each employee of Seller who accepts an offer of employment by Buyer as described in Section 10.1 hereof.

"Sale Order" means an order of the Bankruptcy Court , in substantially the form of Exhibit A attached hereto, to be entered by the Bankruptcy Court pursuant to sections 363, 365 and 1146(c) of the Bankruptcy Code.

"Schedules" means the schedules attached hereto.

"Seller Releasing Parties" has the meaning set forth in Section 3.1 hereof.

"Sellers" has the meaning set forth in the preamble hereto.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or (ii) if a partnership, limited liability company or other business entity, a majority of the partnership, limited liability company or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by such Person.

"Tax" and, with correlative meaning, "Taxes" mean with respect to any Person (i) all federal, state, local, county, foreign and other taxes, assessments or other government charges, including any income, alternative or add-on minimum tax, estimated gross income, gross receipts, sales, use, privilege, *ad valorem*, value added, transfer, capital stock franchise, profits, license, registration, recording, documentary, intangibles, conveyancing, gains, withholding, payroll, employment, social security (or similar), unemployment, disability, excise, severance, stamp, occupation, premium, property (real and personal), environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment, charge, or tax of any kind whatsoever, together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign) whether such Tax is disputed or not, (ii) Liability for the payment of any amounts of the type

described in clause (i) above relating to any other Person as a result of being party to any agreement to indemnify such other Person, being a successor or transferee of such other Person, or being a member of the same affiliated, consolidated, combined, unitary or other group with such other Person, or (iii) Liability for the payment of any amounts of the type described in clause (i) arising as a result of being (or ceasing to be) a member of any Affiliated Group (or being included (or required to be included) in any Tax Return relating thereto). For the avoidance of all doubt, all Liabilities for sales, use, transfer, stamp, documentary, registration, conveyance fees, recording charges and other fees and charges incurred in connection with the transactions contemplated under this Agreement, including the sale and purchase of the Purchased Assets pursuant to this Agreement are included within the definition of "Tax" and "Taxes."

"Tax Purchase Price" has the meaning set forth in Section 10.4(a) hereof.

"Tax Return" means any report, return, declaration, claim for refund or other information or statement supplied or required to be supplied by any Person relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

"Termination Date" has the meaning set forth in Section 9.1(a) hereof.

"THD Claims" has the meaning set forth in Section 2.1(k) hereof.

"THD Released Claims" has the meaning set forth in Section 3.1 hereof.

"Transaction Documents" means this Agreement, and all other agreements, instruments, certificates and other documents to be entered into or delivered by any party in connection with the transactions contemplated to be consummated pursuant to this Agreement.

"Transition Services Agreement" has the meaning set forth in Section 4.3(f) hereof.

"WARN Act" means, collectively, the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any similar state, local or foreign Laws.

ARTICLE II
PURCHASE AND SALE; ASSUMPTION OF CERTAIN LIABILITIES

2.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth in this Agreement, at the Closing, Sellers shall sell, assign, transfer, convey and deliver to Buyer, free and clear of all Encumbrances, and Buyer shall purchase, acquire and take assignment and delivery of, for the consideration specified in Article IV, all right, title and interest of every kind and nature of Sellers in and to all of the properties, assets and rights (contractual or otherwise) of Sellers and used primarily in the Business as of the Closing Date, whether tangible or intangible, real or personal and wherever located and by whomever possessed, including all of the following properties, assets and rights, but excluding the Excluded Assets (all of the assets to be sold, assigned, transferred, conveyed and delivered pursuant to this Section 2.1 shall be referred to herein as the "Purchased Assets"):

(a) all Accounts Receivable;

(b) all Inventory;

(c) all Facility Leases set forth on Schedule 2.1(c) (the "Assumed Facility Leases"), but excluding the Facility Leases set forth on Schedule 2.2(c);

(d) all tangible personal property of each Seller, including but not limited to leasehold improvements and all machinery, equipment, vehicles, computers, servers, information systems, fixtures, computer equipment, telephone systems, furniture, office supplies, production supplies, spare parts and other miscellaneous supplies;

(e) all equipment leases of each Seller set forth on Schedule 2.1(e) (the "Assumed Equipment Leases", together with the Assumed Facility Leases, the "Assumed Leases"), but excluding the equipment leases set forth on Schedule 2.2(d);

(f) all Intellectual Property owned or licensed by each Seller or by the Sellers jointly (including without limitation all of the Intellectual Property set forth on Schedule 2.1(f)), along with all income, royalties, damages, claims, goodwill and payments due or payable to Sellers as of the Closing or thereafter, including damages and payments for past, present or future infringements or misappropriations thereof, or other conflicts therewith, the right to sue and recover for past, present or future infringements or misappropriations thereof, or other conflicts therewith, and any and all corresponding rights that, now or hereafter, may be secured throughout the world, including all copies and tangible embodiments of any such Intellectual Property in Sellers' possession or control;

(g) all Contracts of each Seller (the "Assumed Contracts"), including the Contracts set forth on Schedule 2.1(g), but excluding the Contracts set forth on Schedule 2.2(e);

(h) all Books and Records;

(i) all transferable permits, licenses, certifications and approvals from all permitting, licensing, accrediting and certifying agencies, and the rights to all data and records held by such permitting, licensing and certifying agencies, in each case, of Sellers;

(j) any confidential personnel and medical records pertaining to any Employee of the Sellers who accepts Buyer's offer of employment;

(k) all Claims and causes of action against the Persons listed on Schedule 3.1 (the "THD Claims");

(l) all goodwill as a going concern and all other intangible property of Sellers; and

(m) all other tangible and intangible assets related to the Sellers' Business.

2.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the following assets of Sellers shall be retained by Sellers and are not being sold, assigned, transferred, conveyed or delivered to Buyer hereunder (all of the following are referred to

collectively as the "Excluded Assets"), and Buyer shall have no obligations of any kind or nature with respect to or arising from:

(a) all Cash of the Sellers;

(b) all claims, actions, causes of action, suits, liabilities, obligations, demands, grievances, debts, sums of money, agreements, promises, damages, rights to reimbursement, rights to contribution, rights to indemnification, costs, expenses, attorneys' fees, injunctive relief, disgorgement, restitution, and all other rights and remedies of any type, whether known or unknown, whether in law or in equity, and whether based upon any federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common law source, or any other source, against third parties, including claims against current and former directors and officers of Sellers and avoidance claims or causes of action arising under the Bankruptcy Code or applicable state law (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code); provided that, for the avoidance of doubt, the right and ability to collect the Accounts Receivable in Section 2.1(a), the Intellectual Property rights expressly set forth in Section 2.1(f) and the THD Claims in Section 2.1(k) shall be Purchased Assets and not Excluded Assets;

(c) all Facility Leases set forth on Schedule 2.2(c);

(d) the equipment leases of each Seller set forth on Schedule 2.2(d);

(e) all Contracts of each Seller set forth on Schedule 2.2(e);

(f) subject to Section 7.2, originals of any Seller's minute books, stock books and stock certificates;

(g) subject to Section 7.2, any (i) confidential personnel and medical records pertaining to any Employee of the Sellers to whom Buyer does not make an offer of employment or any Employee of the Sellers who does not accept Buyer's offer of employment or (ii) other Books and Records that Sellers are required by Law to retain including, without limitation, Tax Returns, taxpayer and other identification numbers, financial statements and corporate or other entity filings;

(h) all Tax Returns of Sellers and their Affiliates and all other books and records relating to Taxes of Sellers and their Affiliates, and any claim, right or interest of Sellers and their Affiliates in or to any refund, rebate, abatement or other recovery for Taxes, together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof) ending on or before the Closing Date;

(i) the membership interests in HDL Properties, LLC, a Virginia limited liability company, Central Medical Laboratory, LLC, a Virginia limited liability company, and Biotech 8, LLC, a Virginia limited liability company, in each case held directly or indirectly by HDL, and any equity securities or membership or ownership interests in any other direct or indirect Subsidiary of any Seller;

(j) all assets used primarily in the CML Business;

(k) all rights under Sellers' insurance policies relating to the Business (including, without limitation, Seller's directors and officers liability insurance policies) and any right to refunds due with respect to such insurance policies;

(l) this Agreement and the other Transaction Documents and Sellers' rights hereunder and thereunder; and

(m) all assets listed on Schedule 2.2(m).

2.3 Assumed Liabilities. Subject to the terms and conditions set forth in this Agreement, including Section 2.3 hereto, Buyer shall only assume from Sellers and thereafter be responsible for the payment, performance or discharge of the following Liabilities of Sellers (all such liabilities and obligations assumed pursuant to this Section 2.3 shall be referred to herein as the "Assumed Liabilities"):

(a) all Liabilities under the Assumed Executory Contracts that arise after the Closing; and

(b) all Assumed State and Local Tax Liabilities

2.4 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or become liable for the payment or performance of any Liabilities of Sellers of any nature whatsoever, whether accrued or unaccrued, known or unknown, fixed or contingent ("Excluded Liabilities"). For the avoidance of doubt, the concept of Excluded Liabilities is intended to be construed as broadly as possibly under applicable Law, including section 363 of the Bankruptcy Code as interpreted, and shall include, without limitation, the following:

(a) any Liabilities associated with any Excluded Assets;

(b) any Liabilities associated with the DOJ Settlement Agreement;

(c) any Liabilities associated with the Sellers' Medicare and Medicaid enrollment agreements, provider transaction access numbers or the claims for payment submitted thereunder; provided that Accounts Receivable from Centers for Medicare & Medicaid Services ("CMS") may be subject to offset or recoupment by CMS in the ordinary course under the terms of the Sellers' Medicare enrollment agreements, Medicare statutes, regulations, policies and procedures; but not subject to any offset or recoupment outside of the ordinary course, including but not limited to any rights or obligations under the DOJ Settlement Agreement;

(d) all Liabilities of Seller or with respect to the Business for violations of any Legal Requirement;

(e) any Liabilities arising under (i) the WARN Act or COBRA with respect to terminations of employment occurring on or prior to the Closing Date or (ii) the Employee Benefit Plans; and

(f) except as set forth in Section 2.3(b), Taxes of the Sellers or their Affiliates and any of their respective members, managers, officers, directors, employees, agents or

representatives, or liability under and contract or agreement with respect to payment of any Taxes, whether it be Taxes of the Sellers, Affiliates of the Sellers or any other party.

2.5 Obligations in Respect of Cure Amounts. To the extent that any Assumed Executory Contract is subject to a cure pursuant to section 365 of the Bankruptcy Code, at the Closing, any amounts (the "Cure Amount") related to such cure obligations shall be paid by Buyer; provided, however, that if the lease of real property located at 737 N. 5th Street, Richmond, Virginia from Biotech 8, LLC is an Assumed Executory Contract, then any Cure Amount or post-petition administrative expense due to Biotech 8, LLC with respect to such lease shall be paid by Sellers.

2.6 Good Faith Deposit. Upon the execution and delivery of this Agreement by the parties hereto, Buyer shall pay (or shall have paid) $10,000,000.00 (the funds deposited into the escrow account, together with any investment earnings thereon after the date of deposit thereof, are collectively referred to as the "Good Faith Deposit") by wire transfer of immediately available funds to the escrow account established by Sellers' counsel (the "Escrow Agent"). Upon termination of this Agreement by Buyer or Sellers pursuant to Section 9.1 (other than a termination by Sellers pursuant to Section 9.1(d)), and provided that Buyer is not in material breach of its obligations under this Agreement, within three business days following such termination, Buyer and the Sellers shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Buyer. If this Agreement is terminated by Sellers pursuant to Section 9.1(d), within three business days following such termination, Buyer and Seller shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Sellers; provided that Sellers' right to receive the Good Faith Deposit under such circumstances shall be without prejudice to any other rights or remedies the Sellers may have as a result of any breach of this Agreement by Buyer.

ARTICLE III
RELEASE

3.1 Sellers Release. Effective upon the Closing, each of Sellers, for itself and all of its predecessors, Affiliates, Subsidiaries, heirs, estates, successors and assigns, and for all of their respective officers, directors, trustees, principals, managers, partners, shareholders, members, employees, attorneys, representatives and agents (the "Seller Releasing Parties"), hereby jointly and severally release the Persons listed on Schedule 3.1 (the "Buyer Released Parties"), from any and all claims, actions, causes of action, suits, liabilities, obligations, demands, grievances, debts, sums of money, agreements, promises, damages, rights to reimbursement, rights to contribution, rights to indemnification, costs, expenses, attorneys' fees, injunctive relief, disgorgement, restitution, and all other rights and remedies of any type, whether known or unknown, whether in law or in equity, and whether based upon any federal, state, or local law, statute, ordinance, or regulation, or upon any contract, common law source, or any other source, except for any claims that may arise under this Agreement (the "THD Released Claims").

3.2 Sellers Covenant Not to Sue. Each of the Seller Releasing Parties agrees never to bring any claim, action or proceeding against the Buyer Released Parties relating to the THD Released Claims.

3.3 Unknown Facts. Each of the Sellers fully understands and recognizes that it may hereafter discover facts other than, or different from, what it knows or believes to be true with respect to the THD Released Claims. Nevertheless, each of the Sellers hereby does and has, and for all times shall be deemed to have, waived and fully, finally and forever released any known or unknown, hidden or open, suspected or unsuspected, asserted or unasserted, contingent or non-contingent claims, without regard to the subsequent discovery or existence of different or additional facts.

3.4 Release as Defense to Further Action. This Release may be pleaded as full and complete defense to any action, suit, or other proceeding that may be instituted or prosecuted with respect to any of the THD Released Claims.

ARTICLE IV
CLOSING

4.1 Closing. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, the closing of the transaction contemplated by this Agreement (the "Closing") will take place at the offices of Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219 at 10:00 a.m. local time as soon as practicable after the date on which the conditions set forth in Article VIII have been satisfied or waived (but no later than three business days thereafter) or on such other date or at such other place and time as Buyer and Sellers may mutually determine (the "Closing Date").

4.2 Closing Payments. At the Closing, Buyer and Sellers shall make the following payments and take the following actions:

(a) Buyer shall pay $27,100,000.00, less the Good Faith Deposit and less the Closing AR Adjustment, if any, by wire transfer of immediately available funds to an account designated by the Sellers in a written notice to Buyer at least two business days prior to the Closing;

(b) Buyer shall deliver a fully executed promissory note payable to Sellers in the initial principal amount of $10,000,000.00 secured by the Accounts Receivable, in the form attached hereto as Exhibit B (the "THD Note"); and

(c) Buyer and the Sellers shall execute joint written instructions to Escrow Agent instructing Escrow Agent to disburse the Good Faith Deposit to Sellers.

4.3 Deliveries by Sellers. At the Closing, Sellers shall deliver or procure delivery to Buyer of:

(a) a certificate signed by each Seller, dated the date of the Closing Date, certifying that the condition specified in Section 8.2(a) has been satisfied as of the Closing;

(b) originals (or, to the extent originals are not available, copies) of all Assumed Executory Contracts (together with all amendments, supplements or modifications thereto);

(c) one or more bills of sale, in the form attached hereto as Exhibit C conveying in the aggregate all of the owned personal property of Sellers included in the Purchased Assets, duly executed by Sellers;

(d) one or more assignments and assumptions of the Assumed Liabilities, in the form attached hereto as Exhibit D (collectively, the "Assignment and Assumption"), duly executed by the relevant Seller or Sellers;

(e) duly executed Intellectual Property assignments (collectively, the "Intellectual Property Assignments") in the forms attached hereto as Exhibit E, each in recordable form to the extent necessary to assign such rights;

(f) a duly executed Transition Services Agreement in the form attached hereto as Exhibit F (the "Transition Services Agreement");

(g) certificates of title and title transfer documents to all titled motor vehicles; and

(h) such other documents or instruments as are required to be delivered by any Seller at the Closing pursuant to the terms hereof or that Buyer reasonably requests prior to the Closing Date to effect the transactions contemplated hereby.

4.4 Deliveries by Buyer. At the Closing, Buyer will deliver to Sellers:

(a) the Assignment and Assumption duly executed by Buyer;

(b) the Transition Services Agreement duly executed by Buyer; and

(c) a certificate signed by Buyer, dated the date of the Closing Date, certifying that the condition specified in Section 8.3(a) has been satisfied as of the Closing.

4.5 Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Buyer and Sellers.

4.6 Accounts Receivable Adjustment. Not later than three days prior to the Closing Date, Sellers will provide Buyer with an estimate of the Accounts Receivable on the Closing Date with aging of 120 days or less (the "Closing AR Estimate"), which Closing AR Estimate shall be certified on behalf of Sellers by the President and the Chief Financial Officer of Sellers to be Sellers' good faith estimate of all Accounts Receivable that will be included in the Purchased Assets that represent valid obligations in all material respects arising from bona fide sales actually made or services actually performed in the ordinary course of business and that are carried in the Books and Records of the Sellers at values determined in accordance with generally acceptable accounting principles consistently applied in all material respects. To the extent the Closing AR Estimate is less than $10,000,000, such difference (the "Closing AR Adjustment") will be deducted from the Purchase Price otherwise payable pursuant to Section 4.2(a); provided that if the Closing AR Adjustment is greater than 10% of the Purchase Price, then Sellers may terminate this Agreement pursuant to Section 9.1(f).

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers jointly and severally represent and warrant to Buyer as follows.

5.1 Organization, Standing. Each Seller is a legal entity duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

5.2 Power and Authority; Enforceability. Subject to any necessary authorization from the Bankruptcy Court, each Seller has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All Transaction Documents to which any Seller is a party have been duly executed and delivered by such Seller, except such Transaction Documents that are required by the terms hereof to be executed and delivered by such Seller after the date hereof, in which case such Transaction Documents will be duly executed and delivered by such Seller at or prior to the Closing, and, subject to any necessary authorization from the Bankruptcy Court, all Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Sellers, enforceable against Sellers in accordance with their terms.

5.3 Title to Assets. The Sellers have good title to, or interest in (as applicable), all of the Purchased Assets. Upon entry of the Sale Order, at the Closing, the Buyer will be authorized to transfer to the Seller the Purchased Assets, free and clear of all liens, Claims and Encumbrances to the fullest extent permissible under section 363(f) of the Bankruptcy Code.

5.4 Contracts.

(a) Upon entry of the Sale Order and payment or satisfaction of the Cure Amounts, (x) the Assumed Executory Contracts shall be deemed valid and binding and in full force and effect and assumed by the Sellers and assigned to the Buyer at Closing, and (y) all defaults and other obligations under the Assumed Executory Contracts arising prior to Closing (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be deemed cured by payment of the Cure Amounts and the non-debtor parties to such contracts shall be forever barred and estopped from asserting or claiming against the Sellers or the Buyer that any additional amounts are due or other defaults exist.

(b) Upon entry of the Sale Order, payment or satisfaction of the Cure Amounts, and the occurrence of the Closing (i) the non-debtor party to each Assumed Executory Contract shall be deemed to have consented to such assignment under section 365(c)(1)(B) of the Bankruptcy Code, and the Buyer shall enjoy all of the rights and benefits under each such Assumed and Assigned Contract as of the applicable date of assumption without the necessity of obtaining such non-debtor party's written consent to the assumption or assignment thereof; and (ii) any provision in any Assumed Executory Contract that purports to declare a breach, default or payment right as a result of an assignment or a change of control in respect of the Sellers is unenforceable, and all Assumed Executory Contracts shall remain in full force and effect, subject only to payment of the appropriate Cure Amount, if any.

5.5 Taxes.

(a) Sellers have timely filed or caused to be timely filed (taking into account any applicable extension of time within which to file), with the appropriate taxing authorities, all material federal, state and local Tax Returns required to be filed relating to the Business on or prior to the Closing Date. Such Tax Returns as filed were correct and complete in all material respects.

(b) All Taxes and Tax liabilities due and owing by or with respect to the income, assets or operations of the Business have been paid in full, except for any such Taxes that are forgiven as part of the bankruptcy proceedings.

(c) There are no current liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Taxes that will survive the bankruptcy proceedings and carryover and become a liability of the Buyer after the Closing Date.

5.6 "AS IS," "WHERE IS" Transaction. Buyer hereby acknowledges and agrees that, except as otherwise expressly provided in this Agreement, Sellers make no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Business or the Purchased Assets, including, without limitation, income to be derived or expenses to be incurred in connection with the Purchased Assets, the physical condition of any personal property comprising a part of the Purchased Assets or which is the subject of any Assumed Executory Contract, the environmental condition or other matter relating to the physical condition of any real property or improvements which are the subject of any Assumed Facility Lease, the zoning of any such real property or improvements, the value or transferability of the Purchased Assets (or any portion thereof), the terms, amount, validity or enforceability of any Assumed Liabilities, the title of the Purchased Assets (or any portion thereof), the merchantability or fitness of the Purchased Assets (or any portion thereof for any particular purpose, or any other matter or thing relating to the Business or the Purchased Assets or any portion thereof). Without in any way limiting the foregoing, except as otherwise expressly provided in this Agreement, Sellers hereby disclaim any warranty (express or implied) of merchantability or fitness for any particular purpose as to any portion of the Purchased Assets. Buyer further acknowledges that Buyer has conducted an independent inspection and investigation of the physical condition of the Purchased Assets and all such other matters relating to or affecting the Purchased Assets as Buyer deemed necessary or appropriate and that in proceeding with its acquisition of the Purchased Assets, Buyer is doing so based solely upon such independent inspection and investigation. Accordingly, except as otherwise expressly provided in this Agreement, Buyer will accept the Purchased Assets at the Closing "AS IS," "WHERE IS" and "WITH ALL FAULTS."

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers as follows:

6.1 Organization; Standing. Buyer is a legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

6.2 Authority. Buyer has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. All Transaction Documents to which Buyer is a party have been duly executed and delivered by Buyer, except such Transaction Documents that are required by the terms hereof to be executed and delivered by Buyer after the date hereof, in which case such Transaction Documents will be duly executed and delivered by Buyer at or prior to the Closing, and all Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect, and to general equitable principles.

6.3 Qualifications. Buyer has obtained and maintains in full force and effect a Clinical Laboratory Improvement Amendments of 1988 (CLIA) certificate, a Medicare certification and associated Medicare supplier agreement, and all other licenses, permits, authorizations and other approvals of Governmental Authorities required to receive and process new and existing laboratory orders from patients and referring providers.

ARTICLE VII
PRE-CLOSING COVENANTS

7.1 Closing Efforts. Prior to Closing, Buyer and Sellers shall use commercially reasonable efforts to (i) obtain all material consents and approvals of all Governmental Authorities and all other Persons required to be obtained by Buyer and Sellers to effect the transactions contemplated by this Agreement and (b) take, or cause to be taken, all action, and to do, or cause to be done, all things necessary or proper, consistent with applicable Law and this Agreement, to consummate and make effective in an expeditious manner the transactions contemplated hereby.

7.2 Access to Information. Sellers agree that, prior to the Closing Date, Buyer, Buyer's lender, if any, and their respective representatives shall, upon reasonable advance notice and so long as such access does not unreasonably interfere with the business operations of Sellers or any of their Affiliates, have reasonable access during normal business hours to Sellers' premises and shall be entitled to make such investigation of the properties, businesses and operations of Sellers and such examination of the Books and Records and financial condition of Sellers as it reasonable requests and to make extracts and copies to the extent necessary of the Books and Records; provided, that no investigation pursuant to this Section 7.2 shall affect any liability for, or otherwise diminish, modify or affect, any representations or warranties made herein or the conditions to the obligations of the respective parties to consummate the transactions contemplated by this Agreement. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Sellers to disclose information subject to attorney-client privilege or conflict with any confidentiality obligations to which any Seller is bound. Upon reasonable request, Sellers will make available the laboratory director, employees from information services and employees from the billing department to discuss Sellers' Business. Buyer will not contact any employee, customer or supplier of Sellers with respect to this Agreement without the prior written consent of Sellers, which consent will not be unreasonably withheld, conditioned or delayed and which may be given via email. Buyer agrees to repair at its sole cost any damage to Sellers' premises caused

by Buyer's investigation and to indemnify and hold Sellers harmless of and from any claim for physical damages or physical injuries arising from Buyer's investigation, and notwithstanding anything to the contrary in this Agreement, such obligations to repair and to indemnify shall survive the Closing or any termination of this Agreement.

7.3 Conduct of the Business Pending the Closing. Subject to any obligations as debtors-in-possession under the Bankruptcy Code, and except as required by Law, as contemplated by this Agreement, with the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed) or as described on Schedule 7.3, from the date hereof until the Closing Date, Sellers:

(a) shall not sell, transfer, abandon, permit to lapse or otherwise dispose of any of the Purchased Assets;

(b) shall conduct the Business in the Ordinary Course of Business;

(c) shall not authorize, declare or pay any dividends on or make any distribution with respect to its outstanding shares of capital stock (whether in cash, assets, stock or other securities);

(d) shall use commercially reasonable efforts to preserve intact the Business to keep available the services of its current employees and agents and to maintain its relations and goodwill with its suppliers, customers, distributors and any others with whom or with which it has business relations;

(e) shall not enter into any Contracts other than in the Ordinary Course of Business without prior written authorization of Buyer;

(f) shall not fail to maintain in full force and effect insurance policies covering Sellers and their respective properties, assets and businesses in a form and amount consistent with past practice; and

(g) shall not make or change any election relating to Taxes, amend any Tax Return, enter into any closing agreement with respect to Taxes, settle any Tax claim or assessment relating to Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, or take any other similar action relating to Taxes.

7.4 Bankruptcy Actions.

(a) Sellers shall use their commercially reasonable efforts to: (i) ensure that Bids are due no later than September 4, 2015, (ii) ensure that the Auction, if any, for the sale of all or substantially all of the Purchased Assets, on terms and conditions substantially the same in all material respects to this Agreement and in accordance with the procedures set forth in the Bidding Procedures Order, shall be held no later than September 10, 2015, (iii) obtain entry of the Sale Order by no later than September 21, 2015 and (iv) consummate the Closing as soon as practicable after the approval of the Sale Order and no later than the earlier of (x) 10 business days following approval of the Sale Order or (y) one day before the Termination Date.

(b) Buyer agrees to promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of providing necessary assurances of performance by Buyer of its obligations under this Agreement and the Transaction Documents and demonstrating that Buyer is a good faith buyer under section 363(m) of the Bankruptcy Code.

(c) Sellers shall pay when due all post-petition administrative expenses related to the Assumed Contracts relating to the period beginning on the Petition Date and ending on the Closing Date.

(d) Buyer shall be responsible for providing evidence and argument in support of the Sale Order in order to establish Buyer's ability to provide "adequate assurance of future performance" (within the meaning of section 365(f)(2)(B) of the Bankruptcy Code) of any Assumed Executory Contract. Sellers agree to use commercially reasonable efforts to cooperate with Buyer in the presentation of such evidence and argument. The Bankruptcy Court's refusal to approve the assumption by Buyer of any Assumed Executory Contract on the grounds that "adequate assurance of future performance" by Buyer of such Contract has not been provided shall constitute grounds for Sellers (but not Buyer) to terminate this Agreement pursuant to Section 9.1(d) hereof.

(e) This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher or better competing bids (each a "Competing Bid"). From the date hereof (and any prior time) and until the transaction contemplated by this Agreement is consummated, Sellers are permitted to cause their representatives and Affiliates to initiate contact with any Person in connection with, or solicit or encourage submission of, a Qualifying Bid (as defined in the Bidding Procedures Order) to be submitted at the Auction by any Person. In addition, Sellers shall, in an effort to encourage submission of Qualifying Bids at the Auction, respond to any inquiries or offers to purchase all or any part of the Purchased Assets and perform any and all other acts related thereto that are required under the Bankruptcy Code or other applicable law, including, without limitation, supplying information relating to the Business and the assets of Sellers to prospective purchasers.

ARTICLE VIII
CONDITIONS TO CLOSING

8.1 Conditions to Parties' Obligations. The obligations of Buyer and Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer and Sellers in whole or in part to the extent permitted by applicable Law):

(a) Governmental Approvals. All terminations or expirations of waiting periods imposed (and any extension thereof) by any Governmental Authority necessary for the transactions contemplated under this Agreement (including those under the HSR Act or similar foreign statute or rule), if any, shall have occurred.

(b) No Order or Proceeding. No Order shall be issued by any Governmental Authority enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement.

(c) Bankruptcy Condition. The Sale Order shall have been entered on the docket by the Clerk of the Bankruptcy Court.

8.2 Conditions to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Buyer in whole or in part to the extent permitted by applicable Law):

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Sellers contained herein shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of Covenants. Sellers shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date.

(c) Closing Deliveries. Sellers shall have delivered, or caused to be delivered, to Buyer all of the items set forth in Section 4.3.

(d) Dismissal or Conversion of the Chapter 11 Cases. The Chapter 11 Cases shall not have been dismissed or converted to a case under chapter 7 of the Bankruptcy Code.

8.3 Conditions to Sellers' Obligations. The obligation of Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Sellers in whole or in part to the extent permitted by applicable Law):

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of Covenants. Buyer shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

(c) Consideration. Buyer shall have made the payments specified in Section 4.2.

(d) Closing Deliveries. Buyer shall have delivered, or caused to be delivered, to Sellers all of the items set forth in Section 4.4.

ARTICLE IX
TERMINATION

9.1 Termination. This Agreement may be terminated prior to the Closing as follows:

(a) by either Buyer or Sellers, if the Closing shall not have occurred by the close of business on September 30, 2015 (the "Termination Date"); provided, however, that, if the Closing shall not have occurred due to the failure of the Bankruptcy Court to enter the Sale Order and if all other conditions to the respective obligations of the parties to close hereunder that are capable of being fulfilled by the Termination Date shall have been so fulfilled or waived, then no party may terminate this Agreement prior to October 14, 2015; provided, further, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by Buyer or Sellers, then the breaching party may not terminate this Agreement pursuant to this Section 9.1(a);

(b) by mutual written agreement of Buyer and Sellers;

(c) by either Buyer or Sellers, if there shall be in effect a Final Order enjoining, restraining or otherwise prohibiting the consummation of the transactions contemplated hereby, provided that Sellers shall not be entitled to terminate under this subsection if either or both of the Sellers are the parties that have sought, or have advocated in favor of, such a Final Order;

(d) by either Buyer or Sellers, if there shall have been a material breach of any of the representations, warranties, covenants or agreements set forth in this Agreement on the part of the other party, which breach is not cured within the earlier of (x) 10 days following written notice to the party committing such breach or (y) one day before the Termination Date or which breach, by its nature, cannot be cured prior to the Closing; provided that neither Buyer nor Sellers may terminate this Agreement pursuant to this Section 9.1(d) if such party is then in material breach of any representation, warranty, covenant or agreement contained herein;

(e) by either Buyer or Sellers, if the Bankruptcy Court shall enter an Order approving a Competing Bid, subject to the limitations set forth in the Bidding Procedures Order and subject to Buyer's right to payment of the Break-Up Fee and Expense Reimbursement in accordance with the provisions of Section 9.2; or

(f) by Sellers, if the Closing AR Adjustment is greater than 10% of the Purchase Price; provided that if Buyer notifies Sellers in writing within one business day following Buyer's receipt of the Closing AR Estimate that Buyer agrees that, notwithstanding the provisions of Section 4.6, the Closing AR Adjustment shall equal 10% of the Purchase Price, then Sellers may not terminate this Agreement pursuant to this Section 9.1(f).

9.2 Break-Up Fee and Expense Reimbursement.

(a) If this Agreement is terminated pursuant to Section 9.1(e), Sellers shall pay in cash to Buyer in accordance with Section 9.2(c) a break-up fee equal to $960,000 (the "Break-Up Fee"), with Sellers being jointly and severally liable for such payment; provided,

however, that the Break-Up Fee shall not be payable to Buyer if this Agreement is terminated for any reason other than pursuant to Section 9.1(e).

(b) If this Agreement is terminated pursuant to Section 9.1(e), Sellers shall, in addition to the Break-Up Fee in Section 9.2(a), pay in cash to Buyer in accordance with Section 9.2(c) and an amount equal to all Buyer Expenses as of the date of such termination up to a maximum of $500,000 (the "Expense Reimbursement"), with the Sellers being jointly and severally liable for such payment; provided, however, that the Expense Reimbursement shall not be payable to Buyer if this Agreement is terminated for any reason other than pursuant to Section 9.1(e).

(c) The Break-Up Fee shall be paid and payable in the nature of liquidated damages. The Expense Reimbursement shall be paid and payable as an actual damage, earned at the time of incurrence. The Break-Up Fee and the Expense Reimbursement shall be paid to Buyer in lieu of any other payments or damages under this Agreement (except for the return of the Good Faith Deposit pursuant to Section 2.6). The Break-Up Fee and the Expense Reimbursement shall be payable by Sellers in the event and at the time a Competing Bid is consummated from the proceeds thereof or otherwise as provided by Section 9.2(d).

(d) Sellers' obligation to pay the Break-Up Fee and the Expense Reimbursement pursuant to this Section 9.2 shall survive termination of this Agreement and shall constitute an administrative expense (which shall be a superpriority administrative expense claim senior to all other administrative expense claims and payable out of Sellers' cash or other collateral securing Sellers' obligations to its senior secured lenders, prior to any recovery by such lenders) of Sellers under section 364(c)(1) of the Bankruptcy Code.

9.3 Effect of Termination or Breach. If the transactions contemplated hereby are not consummated (a) this Agreement shall become null and void and of no further force and effect, except (i) for this Section 9.3, (ii) for the provisions of Sections 2.6, 9.2, 11.1, 11.6, 11.7, 11.8, 11.9, and 11.10 hereof, and (iii) that the termination of this Agreement for any cause shall not relieve any party hereto from any Liability which at the time of termination had already accrued to any other party hereto or which thereafter may accrue in respect of any act or omission of such party prior to such termination; (b) the payment of the Break-Up Fee and Expense Reimbursement shall be sole and exclusive remedy (as liquidated damages) of Buyer; and (c) in the event this Agreement is terminated by Sellers pursuant to Section 9.1(d), the receipt by Sellers of the Good Faith Deposit shall be without prejudice to any other rights or remedies the Sellers may have as a result of any breach of this Agreement by Buyer.

ARTICLE X
POST-CLOSING COVENANTS

10.1 Employees. Buyer expects to offer employment immediately prior to the Closing (but contingent on the occurrence of the Closing) to such employees of Sellers actively employed or engaged principally in the Business as of the Closing Date as determined by Buyer in their sole discretion (such employees who accept such offer of employment, the "Rehired Employees") on terms and conditions as determined by Buyer in their sole discretion. Such offers shall be sufficient in number and as to terms and conditions so as not to give rise to any

obligations or liabilities of Sellers under the WARN Act; provided, however, that the foregoing obligation of Buyer is conditioned on the satisfaction by Sellers of all notice, payment and other obligations under the WARN Act with respect to employment terminations occurring during the period through and up to the Closing Date. Nothing contained in this Agreement shall confer upon any Rehired Employee any right to any term or condition of employment or to continuance of employment by Buyer or any of its Affiliates, nor shall anything herein interfere with the right of Buyer or any of its Affiliates to terminate the employment of any employee, including any Rehired Employee, at any time, with or without notice and for any or no reason, or restrict Buyer or any of its Affiliates in modifying any of the terms or conditions of employment of any employee, including any Rehired Employee, after the Closing.

10.2 Employee Benefit Plans. Buyer shall not assume any Employee Benefit Plan or any Liability thereunder or related thereto and Buyer shall provide only those benefits to Rehired Employees as of or after the Closing as Buyer, in its sole discretion, shall determine. Sellers shall be responsible for all obligations, Claims, or Liabilities at any time arising under or in connection with any Employee Benefit Plan. With respect to all claims by or benefits due to current and former employees, officers, directors or contractors of any Seller whenever arising under or in connection with any Employee Benefit Plan, whether insured or otherwise (including life insurance, medical and disability programs, retirement and pension plans), Sellers shall, at their own expense, honor, process, administer or pay or cause their respective insurance carriers (as applicable) to honor, process, administer or pay such claims or benefits, regardless of whether such claims are made or such benefits are due before or after the Closing, in accordance with the terms and conditions of such Employee Benefit Plans without regard to the employment by Buyer of any such employees after the Closing. Nothing contained in this Agreement, express or implied: (a) shall be construed to establish, amend, or modify any benefit or compensation plan, program, agreement or arrangement; (b) shall alter or limit the ability of any Buyer or any of its Affiliates to amend, modify or terminate any benefit or compensation plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them; or (c) is intended to confer upon any Person (including employees, retirees, or dependents or beneficiaries of employees or retirees) any rights as a third-party beneficiary of this Agreement.

10.3 Access to Information. For a period of seven years after the Closing Date, or longer to the extent necessary to respond to claims by Governmental Authorities or third parties, each party and their representatives shall have reasonable access to, and each shall have the right to photocopy, all of the books and records relating to the Business or the Purchased Assets, including all employee records or other personnel and medical records required by Law, legal process or subpoena, in the possession of the other party to the extent that such access may reasonably be required by such party in connection or relating to the Business, the Purchased Assets, the Excluded Assets, the Assumed Liabilities or Liabilities not assumed by Buyer. Such access shall be afforded by the party in possession of such books and records upon receipt of reasonable advance notice and during normal business hours; provided, however, that (i) any such investigation shall be conducted in such a manner as not to interfere unreasonably with the operation of the business of any party or its Affiliates, (ii) no party shall be required to take any action which would constitute a waiver of the attorney-client privilege and (iii) no party need supply the other party with any information which such party is under a legal obligation not to supply. The party exercising this right of access shall be solely responsible for any costs or

expenses incurred by it pursuant to this Section 10.3. If the party in possession of such books and records shall desire to dispose of any such books and records upon or prior to the expiration of such period, such party shall, prior to such disposition, give the other party a reasonable opportunity at such other party's expense, to segregate and remove such books and records as such other party may select.

10.4 Tax Matters.

(a) Transaction Treatment; Allocation of Purchase Price. Buyer and Sellers hereby agree that the purchase price for Federal and state income tax purposes shall equal the aggregate of the Purchase Price and an amount equal to the Assumed Liabilities ("Tax Purchase Price"). Buyer and Sellers shall cooperate as provided herein in determining (in accordance with all applicable Treasury Regulations promulgated under Section 1060 of the Code) the allocation of the final Tax Purchase Price among the Purchased Assets (the "Allocation"). Within 30 days after the Closing, Buyer shall notify Sellers in writing of Buyer's proposed Allocation of the Tax Purchase Price among the Purchased Assets. Sellers shall be deemed to have accepted such Allocation unless, within 30 days after the date Buyer provided the proposed Allocation to Sellers, Sellers notifies Buyer in writing of (a) each amount of the proposed Allocation with which Sellers disagree and (b) for each such amount, the amount that Sellers propose as the appropriate amount. If Sellers provide such notice to Buyer, the parties shall proceed in good faith to resolve the amounts in dispute. If they are unable to do so within 20 days after the delivery of Sellers' notice to Buyer, they shall retain a mutually acceptable independent accounting firm (with a valuation group) to do so, and the fees of such firm shall be paid 50% by Sellers and 50% by Buyer. Neither Buyer nor Sellers shall take, nor shall they permit any Affiliate to take, any position inconsistent with the Allocation as finally determined hereunder; provided, however, that (i) Buyer's cost for the Purchased Assets may differ from the Tax Purchase Price to the extent necessary to reflect Buyer's capitalized acquisition costs other than the Purchase Price and (ii) the amount realized by Sellers may differ from the Tax Purchase Price to the extent necessary to reflect transaction costs that reduce the amount realized by Sellers. To the extent the THD Note causes the transaction to be in part an installment sale under Section 453 of the Code (and the Buyer does not elect out of such treatment), the installment sale will be calculated and determined by treating the principal portion of the THD Note as purchasing a pro rata portion of each Purchased Asset, and imputing interest (to the extent needed) at the lowest Applicable Federal Rate for the term of the THD Note and the month which includes the Closing Date.

(b) Tax-Sharing Agreements. All tax-sharing agreements or similar agreements with respect to or involving Sellers or any of their Affiliates or any other party shall be terminated as of the Closing Date and, on and after the Closing Date, the Buyer shall not be bound thereby or have any liability thereunder.

(c) Cooperation. Buyer and Sellers jointly covenant and agree that, from and after the Closing Date, Buyer and Sellers will each use commercially reasonable efforts to cooperate with each other in connection with any action, suit, proceeding, investigation or audit of the other relating to (i) the preparation or audit of any Tax Return of any Seller or Buyer for periods prior to or including the Closing Date, (ii) any audit of Buyer and/or any audit of any Seller with respect to the sales, transfer and similar Taxes relating to the transactions

contemplated by this Agreement or (iii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing involving Sellers or any of their Affiliates. In furtherance hereof, Buyer and Sellers further covenant and agree to promptly respond to all reasonable inquiries related to such matters and to provide, to the extent reasonably possible, substantiation of transactions and to make available and furnish appropriate documents and personnel in connection therewith. All costs and expenses incurred in connection with this Section 10.4(c) referred to herein shall be borne by the party who is subject to such action.

10.5 Collections on Purchased Assets. If, after the Closing Date, Sellers shall receive payment with respect to any Purchased Assets, Sellers shall immediately deliver such funds or assets to Buyer and take all steps necessary to vest title to such funds or assets in Buyer. If after the Closing Date, Buyer shall receive payment with respect to any Excluded Assets, Buyer shall immediately deliver such funds or assets to Sellers and take all steps necessary to vest title to such funds or assets in Buyer.

10.6 Treatment of Purchased Assets. In the case of licenses, certificates, approvals, authorizations, Assumed Executory Contracts and other commitments included in the Purchased Assets (a) that cannot be transferred or assigned effectively without the consent of third parties, which consent has not been obtained prior to the Closing (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer, at the sole cost and expense of Buyer, in endeavoring to obtain such consent and, if any such consent is not obtained, Sellers shall, subject to any approval of the Bankruptcy Court that may be required, cooperate with Buyer in all reasonable respects and at Buyer's sole cost and expense, to provide to Buyer the benefits thereof in some other manner, or (b) that are otherwise not transferable or assignable (after giving effect to the Sale Order and the Bankruptcy Code), Sellers shall, subject to any approval of the Bankruptcy Court that may be required, reasonably cooperate with Buyer, at the sole cost and expense of Buyer, to provide to Buyer the benefits thereof in some other manner (including the exercise of the rights of Sellers thereunder).

10.7 Further Assurances. From time to time after the Closing and without further consideration, (i) Sellers, upon the request of Buyer, shall take such actions and execute and deliver such documents and instruments of conveyance and transfer as Buyer may reasonably request in order to consummate more effectively the purchase and sale of the Purchased Assets as contemplated hereby and to vest in the applicable Buyer title to the Purchased Assets transferred hereunder, or to otherwise more fully consummate the transactions contemplated by this Agreement and (ii) Buyer, upon the request of Sellers, shall take such actions and execute and deliver such documents and instruments of contract or lease assumption as Sellers may reasonably request in order to confirm Buyer's Liability for the Assumed Liabilities or otherwise to more fully consummate the transactions contemplated by this Agreement.

ARTICLE XI
MISCELLANEOUS

11.1 Expenses. Except as provided in Section 9.2 hereof, each party hereto shall bear its own costs and expenses, including attorneys' fees, with respect to the transactions

contemplated hereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing party in such action or proceeding (i.e., the party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing party such costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing party may incur in the pursuit or defense thereof.

11.2 Amendment. This Agreement may not be amended, modified or supplemented except by a written instrument signed by Sellers and Buyer.

11.3 Notices. Any notice, request, instruction or other document to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given, (a) when received if delivered by hand (including by reputable overnight courier), (b) on the date of transmission if sent by facsimile or email (if the sender on the same day sends a confirming copy of such notice by reputable overnight courier) or (c) upon delivery, or refusal of delivery, if deposited in the U.S. mail, certified or registered mail, return receipt requested, postage prepaid:

To Sellers:
Health Diagnostic Laboratory, Inc.
737 N. 5th Street, Suite 200
Richmond, Virginia 23219
Attn: Douglas Sbertoli
Email dsbertoli@hdlabinc.com
Fax: (804) 225-0530

with copy to:
Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Attn: Tyler P. Brown
Email: tpbrown@hunton.com
Fax: (804) 788-8218

To Buyer:
True Health Diagnostics, LLC
6170 Research Road
Frisco, Texas 75033
Attn: Chris Grottenthaler
Email: chris.grottenthaler@TrueHealthDiag.com
Fax: (469) 362-8048

With copy to:
Perkins Coie LLP
131 South Dearborn Street, Suite 1700
Chicago, Illinois 60603
Attn: Michael Osterhoff
Email: mosterhoff@perkinscoie.com
Fax: (312) 324-9587

or to such other individual or address as a party hereto may designate for itself by notice given as herein provided.

11.4 Waivers. The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing by Sellers, in the case of a waiver by any Seller, or Buyer, in the case of any waiver by Buyer, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach of other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

11.5 Counterparts and Execution. This Agreement may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any counterpart may be executed by facsimile signature and such facsimile signature shall be deemed an original.

11.6 SUBMISSION TO JURISDICTION. THE PARTIES HEREBY AGREE THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS RELATING TO THIS AGREEMENT OR THE OTHER AGREEMENTS CONTEMPLATED HEREIN SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF SUCH COURT.

11.7 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Commonwealth of Virginia (regardless of the Laws that might otherwise govern under applicable Virginia principles of conflicts of Law) as to all matters, including matters of validity, construction, effect, performance and remedies.

11.8 Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties (which shall not be unreasonably withheld or delayed), except that: (i) prior to Closing, Buyer may assign any of its rights and obligations hereunder to any Affiliate or Subsidiary of Buyer (whether wholly owned or otherwise) and to its lender; provided that no such assignment shall relieve Buyer of its obligations hereunder; (ii) the rights and interests of Sellers hereunder may be assigned to a trustee appointed under chapter 11 or chapter 7 of the Bankruptcy Code; (iii) this Agreement may be assigned to any entity appointed as a successor to Sellers pursuant to a confirmed Chapter 11 plan; and (iv) as otherwise provided in this Agreement.

11.9 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to confer on any Person other than the parties hereto or their successors and permitted assigns, any rights, remedies, obligations, Claims, or causes of action under or by reason of this Agreement.

11.10 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to this Agreement to express their mutual intent, and no rule of

strict construction shall be applied against any party. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and Laws promulgated thereunder, unless the context requires otherwise.

11.11 Termination of Representations and Warranties. All representations and warranties made by Sellers and Buyer in this Agreement and in any certificate delivered pursuant to Section 4.3(a) or 4.4(c) shall terminate on the Closing Date upon the consummation of the transactions contemplated hereby, and neither Sellers nor Buyer shall have any liability after the Closing Date for any breach of any representation or warranty.

11.12 Public Announcements. Except as required by Law or in connection with the Chapter 11 Cases, neither Sellers nor Buyer shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other parties hereto relating to the contents and manner of presentation and publication thereof, which approval will not be unreasonably withheld, conditioned or delayed. Prior to making any public disclosure required by applicable law, the disclosing parties shall give the other party a copy of the proposed disclosure and reasonable opportunity to comment on the same.

11.13 Entire Understanding. This Agreement, the Exhibits and the Schedules set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby and the Agreement, the Exhibits and the Schedules supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and are not intended to confer upon any other Person any rights or remedies hereunder.

11.14 Severability. If any term, provision, covenant or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms, provisions, covenants and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable term, provision, covenant or restriction or any portion thereof had never been contained herein.

11.15 Headings. The headings in this Agreement are inserted for convenience only and shall not constitute a part hereof.

11.16 No Liability of Officers and Directors. The parties hereto acknowledge and agree that any individual executing this Agreement or any certificates or other documents contemplated by this Agreement on behalf of Buyer or Sellers do so on behalf of such entities and not in their individual capacities. As such, except for fraud, no officer, director, employee, or agent of Buyer or Sellers shall have any liability hereunder.

11.17 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement to be performed at or prior to the Closing were not performed in accordance with the terms hereof and that, prior to the Closing, the parties shall be entitled to specific performance of such provisions, in addition to any other remedy at law or in equity.

11.18 Guaranty. Leon Capital Group, LLC, a Texas limited liability company, hereby irrevocably and unconditionally guarantees to Sellers the payment of the cash portion of the Purchase Price required to be paid at Closing pursuant to Section 4.2(a).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

BUYER:

TRUE HEALTH DIAGNOSTICS, LLC

By: _____
Name: Christopher L. Grottenthaler
Its: CEO

SELLERS:

HEALTH DIAGNOSTIC LABORATORY, INC.

By: _____
Name: Joseph P. McConnell
Title: President and CEO

INTEGRATED HEALTH LEADERS, LLC

By: _____
Name: Joseph P. McConnell
Title: President and Treasurer

GUARANTOR:

LEON CAPITAL GROUP, LLC

By: _____
Name:
Title:

[Signature page to Asset Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

BUYER:

TRUE HEALTH DIAGNOSTICS, LLC

By: _____
Name:
Its:

SELLERS:

HEALTH DIAGNOSTIC LABORATORY, INC.

By: _____
Name:
Title:

INTEGRATED HEALTH LEADERS, LLC

By: _____
Name:
Title:

GUARANTOR:

LEON CAPITAL GROUP, LLC

By: _____
Name: Fernando De Leon
Title: manager

[Signature page to Asset Purchase Agreement]