Section 1: 10-Q (10-Q)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 0-24260

AMEDISYS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**11-3131700**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

5959 S. Sherwood Forest Blvd., Baton Rouge, LA 70816
(Address of principal executive offices, including zip code)

(225) 292-2031 or (800) 467-2662
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of

1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, is as follows: Common stock, $0.001 par value, 33,234,606 shares outstanding as of July 25, 2014.

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SPECIAL CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

When included in this Quarterly Report on Form 10-Q, or in other documents that we file with the Securities and Exchange Commission ("SEC") or in statements made by or on behalf of the Company, words like "believes," "belief," "expects," "plans," "anticipates," "intends," "projects," "estimates," "may," "might," "would," "should" and similar expressions are intended to identify forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve a variety of risks and uncertainties that could cause actual results to differ materially from those described therein. These risks and uncertainties include, but are not limited to the following: changes in Medicare and other medical payment levels, our ability to open care centers, acquire additional care centers and integrate and operate these care centers effectively, changes in or our failure to comply with existing Federal and state laws or regulations or the inability to comply with new government regulations on a timely basis, competition in the home health industry, changes in the case mix of patients and payment methodologies, changes in estimates and judgments associated with critical accounting policies, our ability to maintain or establish new patient referral sources, our ability to attract and retain qualified personnel, changes in payments and covered services due to the economic downturn and deficit spending by Federal and state governments, future cost containment initiatives undertaken by third-party payors, our access to financing due to the volatility and disruption of the capital and credit markets, our ability to meet debt service requirements and comply with covenants in debt agreements, business disruptions due to natural disasters or acts of terrorism, our ability to integrate and manage our information systems, our ability to fund required settlement payments in the manner agreed upon in our settlement agreement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter, our ability to comply with requirements stipulated in our corporate integrity agreement and changes in law or developments with respect to any litigation or investigations relating to the Company, including the OIG Self-Disclosure issues and various other matters, many of which are beyond our control.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on any forward-looking statement as a prediction of future events. We expressly disclaim any obligation or undertaking and we do not intend to release publicly any updates or changes in our expectations concerning the forward-looking statements or any changes in events, conditions or circumstances upon which any forward-looking statement may be based, except as required by law. For a discussion of some of the factors discussed above as well as additional factors, see our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 12, 2014, particularly Part I, Item 1A. – "Risk Factors" therein, which are incorporated herein by reference and Part II, Item 1A. – "Risk Factors" of this Quarterly Report on Form 10-Q. Additional risk factors may also be described in reports that we file from time to time with the SEC.

Available Information

Our company website address is www.amedisys.com. We use our website as a channel of distribution for important company information. Important information, including press releases, analyst presentations and financial information regarding our company, is routinely posted on and accessible on the Investor Relations subpage of our website, which is accessible by clicking on the tab labeled "Investors" on our website home page. We also use our website to expedite public access to time-critical information regarding our company in advance of or in lieu of distributing a press release or a filing with the SEC disclosing the same information. Therefore, investors should look to the Investor Relations subpage of our website for important and time-critical information. Visitors to our website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Investor Relations subpage of our website. In addition, we make available on the Investor Relations subpage of our website (under the link "SEC filings") free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, ownership reports on Forms 3, 4 and 5 and any amendments to those reports as soon as practicable after we electronically file such reports with the SEC. Further, copies of our Certificate of Incorporation and Bylaws, our Code of Ethical Business Conduct, our Corporate Governance Guidelines and the charters for the Audit, Compensation, Quality of Care, Compliance and Ethics and Nominating and Corporate Governance Committees of our Board are also available on the Investor Relations subpage of our website (under the link "Corporate Governance").

Additionally, the public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. Our electronically filed reports can also be obtained on the SEC's internet site at http://www.sec.gov.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)
(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,225	$ 17,303
Patient accounts receivable, net of allowance for doubtful accounts of $14,956 and $14,231	110,934	111,133
Prepaid expenses	10,855	10,669
Deferred income taxes	10,712	55,329
Other current assets	15,185	10,785
Assets held for sale	—	60
Total current assets	158,911	205,279
Property and equipment, net of accumulated depreciation of $140,705 and $129,891	148,346	159,025
Goodwill	205,587	208,915
Intangible assets, net of accumulated amortization of $25,354 and $25,133	34,112	36,690
Deferred income taxes	134,442	90,214
Other assets, net	28,898	26,283
Total assets	$ 710,296	$ 726,406
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 18,886	$ 20,139
Accrued charge related to U.S. Department of Justice settlement	35,000	150,000
Payroll and employee benefits	72,861	70,801
Accrued expenses	61,712	57,572
Current portion of long-term obligations	12,277	13,904
Total current liabilities	200,736	312,416
Long-term obligations, less current portion	132,000	33,000
Other long-term obligations	6,518	8,511
Total liabilities	339,254	353,927
Commitments and Contingencies - Note 6		
Equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock, $0.001 par value, 60,000,000 shares authorized; 34,153,969, and 33,413,970 shares issued; and 33,195,927 and 32,538,971 shares outstanding	34	33
Additional paid-in capital	473,634	467,890
Treasury stock at cost 958,042, and 874,999 shares of common stock	(19,464)	(18,176)
Accumulated other comprehensive income	15	15
Retained earnings	(82,359)	(77,561)
Total Amedisys, Inc. stockholders' equity	371,860	372,201
Noncontrolling interests	(818)	278
Total equity	371,042	372,479
Total liabilities and equity	$ 710,296	$ 726,406

The accompanying notes are an integral part of these condensed consolidated financial statements.

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AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Net service revenue	$ 305,006	$ 315,960	$ 603,745	$ 644,562
Cost of service, excluding depreciation and amortization	172,520	177,760	349,527	363,427
General and administrative expenses:				
Salaries and benefits	71,400	75,012	154,571	154,852
Non-cash compensation	1,069	1,224	1,500	3,280
Other	35,522	41,378	78,222	83,226
Provision for doubtful accounts	4,242	4,639	9,135	8,493
Depreciation and amortization	7,692	9,411	15,594	19,381
Other intangibles impairment charge	—	2,286	2,208	2,286
Operating expenses	292,445	311,710	610,757	634,945
Operating income (loss)	12,561	4,250	(7,012)	9,617
Other income (expense):				
Interest income	16	11	22	22
Interest expense	(1,352)	(714)	(2,613)	(1,806)
Equity in earnings from equity investments	885	337	1,671	700
Miscellaneous, net	243	(537)	434	(478)
Total other expense, net	(208)	(903)	(486)	(1,562)
Income (loss) before income taxes	12,353	3,347	(7,498)	8,055
Income tax (expense) benefit	(4,743)	(1,342)	2,875	(3,193)
Income (loss) from continuing operations	7,610	2,005	(4,623)	4,862
Discontinued operations, net of tax	61	(157)	(216)	(882)
Net income (loss)	7,671	1,848	(4,839)	3,980
Net (income) loss attributable to noncontrolling interests	(52)	(7)	41	539
Net income (loss) attributable to Amedisys, Inc.	$ 7,619	$ 1,841	$ (4,798)	$ 4,519
Basic earnings per common share:				
Income (loss) from continuing operations attributable to Amedisys, Inc. common stockholders	$ 0.24	$ 0.06	$ (0.14)	$ 0.18
Discontinued operations, net of tax	—	—	(0.01)	(0.03)
Net income (loss) attributable to Amedisys, Inc. common stockholders	$ 0.24	$ 0.06	$ (0.15)	$ 0.15
Weighted average shares outstanding	32,251	31,160	32,058	30,900
Diluted earnings per common share:				
Income (loss) from continuing operations attributable to Amedisys, Inc. common stockholders	$ 0.23	$ 0.06	$ (0.14)	$ 0.17
Discontinued operations, net of tax	—	—	(0.01)	(0.03)
Net income (loss) attributable to Amedisys, Inc. common stockholders	$ 0.23	$ 0.06	$ (0.15)	$ 0.14
Weighted average shares outstanding	32,594	31,489	32,058	31,298
Amounts attributable to Amedisys, Inc. common stockholders:				
Income (loss) from continuing operations	$ 7,558	$ 1,998	$ (4,582)	$ 5,401
Discontinued operations, net of tax	61	(157)	(216)	(882)
Net income (loss)	$ 7,619	$ 1,841	$ (4,798)	$ 4,519

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	For the Six-Month Periods Ended June 30,	
	2014	2013
Cash Flows from Operating Activities:		
Net (loss) income	$ (4,839)	$ 3,980
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	15,634	19,679
Provision for doubtful accounts	9,210	8,722
Non-cash compensation	1,500	3,280
401(k) employer match	3,048	4,363
Loss on disposal of property and equipment	2,688	708
Gain on sale of care centers	(2,967)	(357)
Deferred income taxes	(3,017)	2,959
Equity in earnings of equity investments	(1,671)	(700)
Amortization of deferred debt issuance costs	283	370
Return on equity investment	700	400
Other intangibles impairment charge	2,208	2,286
Changes in operating assets and liabilities, net of impact of acquisitions:		
Patient accounts receivable	(9,740)	35,684
Other current assets	(2,215)	(2,878)
Other assets	1,200	(800)
Accounts payable	414	(7,963)
U.S. Department of Justice settlement accrual	(115,000)	—
Accrued expenses	5,958	(4,293)
Other long-term obligations	1,135	537
Net cash (used in) provided by operating activities	(95,471)	65,977
Cash Flows from Investing Activities:		
Proceeds from sale of deferred compensation plan assets	5	100
Proceeds from the sale of property and equipment	—	126
Purchases of deferred compensation plan assets	(67)	(74)
Purchases of property and equipment	(9,068)	(19,595)
Purchase of investments	(2,495)	(6,227)
Acquisitions of businesses, net of cash acquired	—	(627)
Proceeds from dispositions of care centers, net of cash sold	2,233	2,082
Net cash used in investing activities	(9,392)	(24,215)
Cash Flows from Financing Activities:		
Proceeds from issuance of stock upon exercise of stock options	88	113
Proceeds from issuance of stock to employee stock purchase plan	1,324	1,695
Non-controlling interest distribution	—	(93)
Proceeds from revolving line of credit	200,800	25,500
Repayments of revolving line of credit	(95,800)	(25,500)
Principal payments of long-term obligations	(7,627)	(27,904)
Net cash provided by (used in) financing activities	98,785	(26,189)
Net (decrease) increase in cash and cash equivalents	(6,078)	15,573
Cash and cash equivalents at beginning of period	17,303	14,545
Cash and cash equivalents at end of period	$ 11,225	$ 30,118
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$ 2,974	$ 2,006
Cash paid for income taxes, net of refunds received	$ —	$ 3,135
Supplemental Disclosures of Non-Cash Financing and Investing Activities:		
(Sale) acquisition of non-controlling interests	$ (1,549)	$ 167

The accompanying notes are an integral part of these condensed consolidated financial statements.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS, CONSOLIDATION AND PRESENTATION OF FINANCIAL STATEMENTS

Amedisys, Inc., a Delaware corporation, and its consolidated subsidiaries ("Amedisys," "we," "us," or "our") are a multi-state provider of home health and hospice services with approximately 82% and 84% of our revenue derived from Medicare for the three-month periods ended June 30, 2014 and 2013, respectively, and approximately 82% and 84% our revenue derived from Medicare for the six-month periods ended June 30, 2014 and 2013, respectively. As of June 30, 2014, we owned and operated 316 Medicare-certified home health care centers, 80 Medicare-certified hospice care centers and one hospice inpatient unit in 33 states within the United States, the District of Columbia and Puerto Rico.

Basis of Presentation

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly our financial position, our results of operations and our cash flows in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). Our results of operations for the interim periods presented are not necessarily indicative of results of our operations for the entire year and have not been audited by our independent auditors.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted from the interim financial information presented. This report should be read in conjunction with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission ("SEC") on March 12, 2014 (the "Form 10-K"), which includes information and disclosures not included herein.

Use of Estimates

Our accounting and reporting policies conform with U.S. GAAP. In preparing the unaudited condensed consolidated financial statements, we are required to make estimates and assumptions that impact the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Reclassifications and Comparability

Certain reclassifications have been made to prior period's financial statements in order to conform to the current period's presentation.

Principles of Consolidation

These unaudited condensed consolidated financial statements include the accounts of Amedisys, Inc., and our wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in our accompanying unaudited condensed consolidated financial statements, and business combinations accounted for as purchases have been included in our unaudited condensed consolidated financial statements from their respective dates of acquisition. In addition to our wholly owned subsidiaries, we also have certain investments that are accounted for as set forth below.

Investments

We consolidate investments when the entity is a variable interest entity and we are the primary beneficiary or if we have controlling interests in the entity, which is generally ownership in excess of 50%. Third party equity interests in our consolidated joint ventures are reflected as noncontrolling interests in our condensed consolidated financial statements.

We account for investments in entities in which we have the ability to exercise significant influence under the equity method if we hold 50% or less of the voting stock and the entity is not a variable interest entity in which we are the primary beneficiary. The book value of investments that we accounted for under the equity method of accounting was $15.0 million as of June 30, 2014, and $11.9 million as of December 31, 2013. We account for investments in entities in which we have less than a 20% ownership interest under the cost method of accounting if we do not have the ability to exercise significant influence over the investee. The aggregate carrying amount of our cost method investment was $5.0 million as of June 30, 2014 and December 31, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

We earn net service revenue through our home health and hospice care centers by providing a variety of services almost exclusively in the homes of our patients. This net service revenue is earned and billed either on an episode of care basis, on a per visit basis or on a daily basis depending upon the payment terms and conditions established with each payor for services provided. We refer to home health revenue earned and billed on a 60-day episode of care as episodic-based revenue.

When we record our service revenue, we record it net of estimated revenue adjustments and contractual adjustments to reflect amounts we estimate to be realizable for services provided, as discussed below. We believe, based on information currently available to us and

based on our judgment, that changes to one or more factors that impact the accounting estimates (such as our estimates related to revenue adjustments, contractual adjustments and episodes in progress) we make in determining net service revenue, which changes are likely to occur from period to period, will not materially impact our reported consolidated financial condition, results of operations, cash flows or our future financial results.

Home Health Revenue Recognition

Medicare Revenue

Net service revenue is recorded under the Medicare prospective payment system ("PPS") based on a 60-day episode payment rate that is subject to adjustment based on certain variables including, but not limited to: (a) an outlier payment if our patient's care was unusually costly (capped at 10% of total reimbursement per provider number); (b) a low utilization payment adjustment ("LUPA") if the number of visits was fewer than five; (c) a partial payment if our patient transferred to another provider or we received a patient from another provider before completing the episode; (d) a payment adjustment based upon the level of therapy services required (with various incremental adjustments made for additional visits, with larger payment increases associated with the sixth, fourteenth and twentieth visit thresholds); (e) adjustments to payments if we are unable to perform periodic therapy assessments; (f) the number of episodes of care provided to a patient, regardless of whether the same home health provider provided care for the entire series of episodes; (g) changes in the base episode payments established by the Medicare Program; (h) adjustments to the base episode payments for case mix and geographic wages; and (i) recoveries of overpayments. In addition, we make adjustments to Medicare revenue if we find that we are unable to produce appropriate documentation of a face to face encounter between the patient and physician.

We make adjustments to Medicare revenue on completed episodes to reflect differences between estimated and actual payment amounts, our discovered inability to obtain appropriate billing documentation or authorizations and other reasons unrelated to credit risk. We estimate the impact of such adjustments based on our historical experience, which primarily includes a historical collection rate of over 99% on Medicare claims, and record this estimate during the period in which services are rendered as an estimated revenue adjustment and a corresponding reduction to patient accounts receivable. In addition, management evaluates the potential for revenue adjustments and, when appropriate, provides allowances based upon the best available information. Therefore, we believe that our reported net service revenue and patient accounts receivable will be the net amounts to be realized from Medicare for services rendered.

In addition to revenue recognized on completed episodes, we also recognize a portion of revenue associated with episodes in progress. Episodes in progress are 60-day episodes of care that begin during the reporting period, but were not completed as of the end of the period. We estimate this revenue on a monthly basis based upon historical trends. The primary factors underlying this estimate are the number of episodes in progress at the end of the reporting period, expected Medicare revenue per episode and our estimate of the average percentage complete based on visits performed. As of June 30, 2014 and 2013, the difference between the cash received from Medicare for a request for anticipated payment ("RAP") on episodes in progress and the associated estimated revenue was immaterial and, therefore, the resulting credits were recorded as a reduction to our outstanding patient accounts receivable in our condensed consolidated balance sheets for such periods.

Non-Medicare Revenue

Episodic-based Revenue. We recognize revenue in a similar manner as we recognize Medicare revenue for episodic-based rates that are paid by other insurance carriers, including Medicare Advantage programs; however, these rates can vary based upon the negotiated terms.

Non-episodic based Revenue. Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to our established or estimated per-visit rates, as applicable. Contractual adjustments are recorded for the difference between our standard rates and the contracted rates to be realized from patients, third parties and others for services provided and are deducted from gross revenue to determine net service revenue and are also recorded as a reduction to our outstanding patient accounts receivable. In addition, we receive a minimal amount of our net service revenue from patients who are either self-insured or are obligated for an insurance co-payment.

Hospice Revenue Recognition

Hospice Medicare Revenue

Gross revenue is recorded on an accrual basis based upon the date of service at amounts equal to the estimated payment rates. The estimated payment rates are daily or hourly rates for each of the four levels of care we deliver. The four levels of care are routine care, general inpatient care, continuous home care and respite care. Routine care accounts for 99% of our total Medicare hospice service revenue for the three-month periods ended June 30, 2014 and 2013, respectively, and 98% and 99% of our total Medicare hospice service revenue for the six-month periods ended June 30, 2014 and 2013, respectively. We make adjustments to Medicare revenue for an inability to obtain appropriate billing documentation or acceptable authorizations and other reasons unrelated to credit risk. We estimate the impact of these adjustments based on our historical experience, which primarily includes our historical collection rate on Medicare claims, and record it during the period services are rendered as an estimated revenue adjustment and as a reduction to our outstanding patient accounts receivable.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Additionally, as Medicare hospice revenue is subject to an inpatient cap limit and an overall payment cap for each provider number, we monitor these caps and estimate amounts due back to Medicare if a cap has been exceeded. We record these adjustments as a reduction to revenue and an increase in other accrued liabilities. We have settled our Medicare hospice reimbursements for all fiscal years through October 31, 2012 as of June 30, 2014. As of June 30, 2014, we have recorded $4.3 million for estimated amounts due back to Medicare in other accrued liabilities for the Federal cap years ended October 31, 2013 through October 31, 2014. As of December 31, 2013, we have recorded $4.0 million for estimated amounts due back to Medicare in other accrued liabilities for the Federal cap years ended October 31, 2012 through October 31, 2014.

Hospice Non-Medicare Revenue

We record gross revenue on an accrual basis based upon the date of service at amounts equal to our established rates or estimated per day rates, as applicable. Contractual adjustments are recorded for the difference between our established rates and the amounts estimated to be realizable from patients, third parties and others for services provided and are deducted from gross revenue to determine our net service revenue and patient accounts receivable.

Patient Accounts Receivable

Our patient accounts receivable are uncollateralized and consist of amounts due from Medicare, Medicaid, other third-party payors and patients. There is no single payor, other than Medicare, that accounts for more than 10% of our total outstanding patient receivables, and thus we believe there are no other significant concentrations of receivables that would subject us to any significant credit risk in the collection of our patient accounts receivable. We fully reserve for accounts which are aged at 365 days or greater. We write off accounts on a monthly basis once we have exhausted our collection efforts and deem an account to be uncollectible.

We believe the credit risk associated with our Medicare accounts, which represent 69% and 67% of our net patient accounts receivable at June 30, 2014 and December 31, 2013, respectively, is limited due to our historical collection rate of over 99% from Medicare and the fact that Medicare is a U.S. government payor. Accordingly, we do not record an allowance for doubtful accounts for our Medicare patient accounts receivable, which are recorded at their net realizable value after recording estimated revenue adjustments as discussed above. During the three and six-month periods ended June 30, 2014, we recorded $1.8 million and $3.0 million, respectively, in estimated revenue adjustments to Medicare as compared to $2.8 million and $6.6 million during the three and six-month periods ended June 30, 2013, respectively.

We believe there is a certain level of credit risk associated with non-Medicare payors. To provide for our non-Medicare patient accounts receivable that could become uncollectible in the future, we establish an allowance for doubtful accounts to reduce the carrying amount to its estimated net realizable value.

Medicare Home Health

For our home health patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. We submit a RAP for 60% of our estimated payment for the initial episode at the start of care or 50% of the estimated payment for any subsequent episodes of care contiguous with the first episode for a particular patient. The full amount of the episode is billed after the episode has been completed (“final billed”). The RAP received for that particular episode is then deducted from our final payment. If a final bill is not submitted within the greater of 120 days from the start of the episode, or 60 days from the date the RAP was paid, any RAPs received for that episode will be recouped by Medicare from any other claims in process for that particular provider number. The RAP and final claim must then be re-submitted.

Medicare Hospice

For our hospice patients, our pre-billing process includes verifying that we are eligible for payment from Medicare for the services that we provide to our patients. Our Medicare billing begins with a process to ensure that our billings are accurate through the utilization of an electronic Medicare claim review. Once each patient has been confirmed for eligibility, we will bill Medicare on a monthly basis for the services provided to the patient.

Non-Medicare Home Health and Hospice

For our non-Medicare patients, our pre-billing process primarily begins with verifying a patient’s eligibility for services with the applicable payor. Once the patient has been confirmed for eligibility, we will provide services to the patient and bill the applicable payor. Our review and evaluation of non-Medicare accounts receivable includes a detailed review of outstanding balances and special consideration to concentrations of receivables from particular payors or groups of payors with similar characteristics that would subject us to any significant credit risk. We estimate an allowance for doubtful accounts based upon our assessment of historical and expected net collections, business and economic conditions, trends in payment and an evaluation of collectibility based upon the date that the service was provided. Based upon our best judgment, we believe the allowance for doubtful accounts adequately provides for accounts that will not be collected due to credit risk.

AMEDISYS, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Fair Value of Financial Instruments

The following details our financial instruments where the carrying value and the fair value differ (amounts in millions):

		Fair Value at Reporting Date Using		
Financial Instrument	Carrying Value as of June 30, 2014	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Long-term obligations	$ 144.3	$ —	$ 144.7	$ —

The estimates of the fair value of our long-term debt are based upon a discounted present value analysis of future cash flows. Due to the uncertainty in the capital and credit markets the actual rates that would be obtained to borrow under similar conditions could materially differ from the estimates we have used.

The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value. The three levels of inputs are as follows:

- Level 1 – Quoted prices in active markets for identical assets and liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

For our other financial instruments, including our cash and cash equivalents, patient accounts receivable, accounts payable and accrued expenses, we estimate the carrying amounts' approximate fair value. Our deferred compensation plan assets are recorded at fair value.

Weighted-Average Shares Outstanding

Net income (loss) per share attributable to Amedisys, Inc. common stockholders, calculated on the treasury stock method, is based on the weighted average number of shares outstanding during the period. The following table sets forth, for the periods indicated, shares used in our computation of the weighted-average shares outstanding, which are used to calculate our basic and diluted net income (loss) attributable to Amedisys, Inc. common stockholders (amounts in thousands):

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Weighted average number of shares outstanding - basic	32,251	31,160	32,058	30,900
Effect of dilutive securities:				
Stock options	—	12	—	17
Non-vested stock and stock units	343	317	—	381
Weighted average number of shares outstanding - diluted	32,594	31,489	32,058	31,298
Anti-dilutive securities	192	217	649	217

Recently Issued Accounting Pronouncements

In April 2014, the FASB issued Accounting Standards Update ("ASU") 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* changing the criteria for reporting discontinued operations. The ASU states that only those disposed components (or components held-for-sale) representing a strategic shift that have (or will have) a major effect on operations and financial results (or that are businesses or non-profit activities held-for-sale at acquisition) will be reported in discontinued operations. The ASU also required expanded disclosures about discontinued operations in the financial statement notes. The ASU is effective for disposals (or classifications as held-for-sale) that occur within annual periods beginning on or after December 15, 2014 and interim periods within those annual periods. Early application is permitted, but only for those disposals (or classifications as held-for-sale) that have not been reported in financial statements previously issued or available for issuance. We have chosen to early adopt this ASU and have applied the new criteria in determining the accounting treatment for the care centers exited during 2014.

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In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

3. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

As part of our management of our portfolio of care centers, we review each care center's current financial performance, market penetration, forecasted market growth and the impact of proposed CMS payment revisions. As a result of our review, we consolidated 41 home health care centers and five hospice care centers with care centers servicing the same markets, sold 19 home health care centers and one hospice care center and closed 10 home health care centers during 2013. We had previously classified 28 of these care centers as held for sale during 2013 and three care centers remained classified as held for sale at December 31, 2013. During the three month period ended March 31, 2014, we sold assets associated with one of these care centers and consolidated one of these care centers with a care center servicing the same market. During the three month period ended June 30, 2014, we sold assets associated with the remaining care center; there are no care centers classified as held for sale as of June 30, 2014. For additional information on the care centers consolidated with care centers servicing the same markets and the care centers sold, see Note 4 – Exit and Restructuring Activities.

Net revenues and operating results for the periods presented for the care centers classified as discontinued operations are as follows (dollars in millions):

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Net revenues	$ —	$ 8.9	$ (0.3)	$ 19.5
Income (loss) before income taxes	0.1	(0.3)	(0.4)	(1.5)
Income tax benefit	—	0.1	0.2	0.6
Discontinued operations, net of tax	$ 0.1	$ (0.2)	$ (0.2)	$ (0.9)

4. EXIT AND RESTRUCTURING ACTIVITIES

Exit Activity

As of December 31, 2013, we reported three home health care centers as held for sale. During the three month period ended March 31, 2014, we sold assets associated with one of these care centers for cash consideration of approximately $0.6 million and recognized a gain of approximately $0.6 million which is included in discontinued operations. In addition, during the three months ended March 31, 2014, one of the care centers classified as held for sale as of December 31, 2013 was consolidated with a care center servicing the same market. During the three month period ended June 30, 2014, we sold assets associated with the remaining care center for cash consideration of approximately $0.2 million and recognized a gain of approximately $0.2 million which is included in discontinued operations.

Effective April 17, 2014, the Company sold its interest in five home health and four hospice care centers in Wyoming and Idaho for approximately $5.0 million and recognized a gain of $2.1 million.

In addition to the sale of the care centers mentioned above, during the three months ended March 31, 2014, we consolidated three home health care centers with care centers servicing the same markets and closed four home health care centers and one hospice care center and announced our plans to close or consolidate another 43 care centers. In connection with these care centers, we recorded non-cash charges of $2.2 million in other intangibles impairment expense related to the write-off of intangible assets, $2.1 million in other general and administrative expenses related to lease termination costs and $2.1 million in salaries and benefits related to severance costs during the three-month period ended March 31, 2014. These care centers were not concentrated in certain selected geographical areas and did not meet the criteria to be classified as discontinued operations in accordance with applicable accounting guidance. During the quarter ended June 30, 2014, we completed the closure of the remaining 43 care centers as follows: we consolidated 18 home health care centers and four hospice care centers with care centers servicing the same markets and closed 18 home health care centers and three hospice care centers.

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Restructuring Activity

During the quarter ended March 31, 2014, we restructured our regional leadership and corporate support functions. As such, we recorded charges of $3.4 million in salaries and benefits related to severance costs during the three month period ended March 31, 2014. In addition, on February 20, 2014, William F. Borne stepped down from his positions as Chief Executive Officer, Chairman and a member of our Board of Directors and we recorded charges of $2.3 million in salaries and benefits related to severance costs.

5. LONG-TERM OBLIGATIONS

Long-term debt consisted of the following for the periods indicated (amounts in millions):

	June 30, 2014	December 31, 2013
$60.0 million Term Loan; $3.0 million principal payments plus accrued interest payable quarterly; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (3.40% at June 30, 2014); due October 26, 2017	39.0	45.0
$165.0 million Revolving Credit Facility; interest only quarterly payments; interest rate at ABR Rate plus applicable percentage or Eurodollar Rate plus the applicable percentage (3.40% at June 30, 2014); due October 26, 2017	105.0	—
Promissory notes	0.3	1.9
	144.3	46.9
Current portion of long-term obligations	(12.3)	(13.9)
Total	$ 132.0	$ 33.0

Our weighted average interest rate for our five year $60.0 million Term Loan under our existing senior secured Credit Agreement was 3.5% and 3.4% for the three and six-month periods ended June 30, 2014, respectively as compared to 2.6% and 2.7% for the three and six-month periods ended June 30, 2013.

On July 28, 2014, we entered into a Second Lien Credit Agreement providing for a term loan in an aggregate principal amount of $70.0 million. The proceeds of the Second Lien Credit Agreement were used to pay off a portion of the revolving credit balances under our existing senior secured Credit Agreement dated as of October 26, 2012.

In connection with the Second Lien Credit Agreement, on July 28, 2014, we entered into the fourth amendment to our existing senior secured Credit Agreement, which amends certain covenants, representations and other provisions in our Credit Agreement, to among other things, allow for our entry into the Second Lien Credit Agreement. The fourth amendment also decreases the aggregate principal amount of the revolving credit facility under our existing senior secured Credit Agreement from up to $165.0 million to up to $120.0 million. See Note 8 – Subsequent Event for additional information on the Term Loan Agreement and the amendment to our existing senior secured Credit Agreement.

Our existing senior secured Credit Agreement, as amended on July 28, 2014, limits total leverage and requires minimum coverage of fixed charges. As of June 30, 2014, our total leverage ratio was 2.7 and our fixed charge coverage ratio was 1.5 and we are in compliance with the existing senior secured Credit Agreement. We currently anticipate we will be in compliance with the covenants associated with our long-term obligations over the next 12 months. In the event we are not in compliance with our debt covenants in the future, we would pursue various alternatives in an attempt to successfully resolve the non-compliance, which might include, among other things, seeking debt covenant waivers or amendments.

As of the date of this filing, our availability under our $120.0 million Revolving Credit Facility, as amended by the fourth amendment to our existing senior secured Credit Agreement, was $74.2 million as we had $20.8 million outstanding in letters of credit.

6. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

We are involved in the following legal actions:

United States Senate Committee on Finance Inquiry

On May 12, 2010, we received a letter of inquiry from the Senate Finance Committee requesting documents and information relating to our policies and practices regarding home therapy visits and therapy utilization trends. A similar letter was sent to the other major publicly traded home health care companies. We cooperated with the Committee with respect to this inquiry.

On October 3, 2011, the Committee publicly issued a report titled “Staff Report on Home Health and the Medicare Therapy Threshold.” The Committee recommended that the CMS “must move toward taking therapy out of the payment model.” We believe that the issuance of the report concludes the Committee’s inquiry, but are not in a position to speculate on the potential for future legislative or oversight action by the Committee.

Securities Class Action Lawsuits

On June 10, 2010, a putative securities class action complaint was filed in the United States District Court for the Middle District of Louisiana (the “Court”) against the Company and certain of our current and former senior executives. Additional putative securities class actions were filed in the Court on July 14, July 16, and July 28, 2010.

On October 22, 2010, the Court issued an order consolidating the putative securities class action lawsuits and the Federal Derivative Actions (described immediately below) for pre-trial purposes. In the same order, the Court appointed the Public Employees Retirement System of Mississippi and the Puerto Rico Teachers’ Retirement System as co-lead plaintiffs (together, the “Co-Lead Plaintiffs”) for the putative class. On December 10, 2010, the Court also consolidated the ERISA class action lawsuit (described below) with the putative securities class actions and Federal Derivative Actions for pre-trial purposes.

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On January 18, 2011, the Co-Lead Plaintiffs filed an amended, consolidated class action complaint (the "Securities Complaint") which supersedes the earlier-filed securities class action complaints. The Securities Complaint alleges that the defendants made false and/or misleading statements and failed to disclose material facts about our business, financial condition, operations and prospects, particularly relating to our policies and practices regarding home therapy visits under the Medicare home health prospective payment system and the related alleged impact on our business, financial condition, operations and prospects. The Securities Complaint seeks a determination that the action may be maintained as a class action on behalf of all persons who purchased the Company's securities between August 2, 2005 and September 28, 2010 and an unspecified amount of damages.

All defendants moved to dismiss the Securities Complaint. On June 28, 2012, the Court granted the defendants' motion to dismiss the Securities Complaint. On July 26, 2012, the Co-Lead Plaintiffs filed a motion for reconsideration, which the Court denied on April 9, 2013.

On May 3, 2013, the Co-Lead Plaintiffs appealed the dismissal of the Securities Complaint to the United States Court of Appeals for the Fifth Circuit. The parties' appellate briefing is complete and oral argument was held on March 31, 2014. While the Company will seek to have the Court's order granting the defendants' motion to dismiss affirmed on appeal, no assurances can be given as to the timing or outcome of the appeals process.

ERISA Class Action Lawsuit

On September 27, 2010 and October 22, 2010, separate putative class action complaints were filed in the United States District Court for the Middle District of Louisiana against the Company, certain of our current and former senior executives and members of our 401(k) Plan Administrative Committee. The suits alleged violations of the Employee Retirement Income Security Act ("ERISA") since January 1, 2006 and July 1, 2007, respectively. The plaintiffs brought the complaints on behalf of themselves and a class of similarly situated participants in our 401(k) Plan. The plaintiffs asserted that the defendants breached their fiduciary duties to the 401(k) Plan's participants by causing the 401(k) Plan to offer and hold Amedisys common stock during the respective class periods when it was an allegedly unduly risky and imprudent retirement investment because of our alleged improper business practices. The complaints sought a determination that the actions may be maintained as a class action, an award of unspecified monetary damages and other unspecified relief. As noted above, on December 10, 2010, the Court consolidated the putative ERISA class actions with the putative securities class actions and derivative actions for pre-trial purposes. In addition, on December 10, 2010, the Court appointed interim lead counsel and interim liaison counsel in the ERISA class action.

On March 10, 2011, Wanda Corbin, Pia Galimba and Linda Trammell (the "Co-ERISA Plaintiffs"), filed an amended, consolidated class action complaint (the "ERISA Complaint"), which superseded the earlier-filed ERISA class action complaints. The ERISA Complaint sought a determination that the action may be maintained as a class action on behalf of themselves and a class of similarly situated participants in our 401(k) plan from January 1, 2008 through present. All of the defendants moved to dismiss the ERISA Complaint.

On November 5, 2013, we reached an agreement in principle to settle the ERISA class action lawsuits on a class-wide basis under which we would make a payment of $1.2 million (which we correctly anticipated would be paid by our insurance carrier) and provide additional non-monetary benefits to 401(k) Plan participants. We then negotiated a formal settlement agreement with the Co-ERISA Plaintiffs and on December 13, 2013, submitted it to the Court for preliminary and final approval. The formal settlement agreement described how the $1.2 million settlement payment would be allocated among the putative class of 401(k) Plan participants after certain expenses and fees were deducted. On April 14, 2014, the Court granted the motion for preliminary approval and scheduled a final fairness hearing for July 22, 2014. Our insurance carrier funded the $1.2 million settlement pool shortly after the entry of the April 14, 2014 order.

On July 22, 2014, the Court conducted a fairness hearing. On July 24, 2014, the Court entered an order approving the settlement, dismissing the ERISA class action lawsuits with prejudice, certifying a settlement class and approving the release of all claims by the settlement class that were or could have been alleged in the matter.

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SEC Investigation

On June 30, 2010, we received notice of a formal investigation from the SEC and received a subpoena for documents relating to the matters under review by the United States Senate Committee on Finance and other matters involving our operations. We cooperated with the SEC with respect to this investigation, and in June 2014 we were informed by the SEC staff that the investigation had been completed and that the staff did not intend to recommend any enforcement action by the SEC.

U.S. Department of Justice Civil Investigative Demand ("CID") Pursuant to False Claims Act and Stark Law Matters

On September 27, 2010, we received a CID issued by the U.S. Department of Justice pursuant to the federal False Claims Act. The CID requires the delivery of a wide range of documents and information relating to the Company's clinical and business operations, including reimbursement and billing claims submitted to Medicare for home health services, and related compliance activities. The CID generally covers the period from January 1, 2003. On April 26, 2011, we received a second CID related to the CID issued in September 2010, which generally covers the same time period as the previous CID and requires the production of additional documents. Such CIDs are often associated with previously filed qui tam actions, or lawsuits filed under seal under the False Claims Act ("FCA"), 31 U.S.C. § 3729 et seq. Qui tam actions are brought by private plaintiffs suing on behalf of the federal government for alleged FCA violations. Subsequently, the Company and certain current and former employees received additional CIDs for additional documents and/or testimony.

In May 2012, we made a disclosure to CMS under the agency's Stark Law Self-Referral Disclosure Protocol relating to certain services agreements between a subsidiary of ours and a large physician group. During some period of time since December 2007, the arrangements appear not to have complied in certain respects with an applicable exemption to the Stark Law referral prohibition. Medicare revenue earned as a result of referrals from the physician group from May 2008 to May 2012, the relevant four year "lookback" period under the Stark Law Self-Referral Disclosure Protocol, was approximately $4 million. On January 11, 2013, one of our subsidiaries received a CID from the United States Attorney's Office for the Northern District of Georgia seeking certain information relating to that subsidiary's relationship with this physician group.

On October 4, 2013, we reached an agreement in principle to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. We agreed to this tentative settlement without any admission of wrongdoing to resolve these matters and to avoid the uncertainty and expense of protracted litigation. On April 23, 2014, we entered into a settlement agreement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. The settlement agreement contains no admissions of liability on our part.

Pursuant to the settlement agreement, we paid the United States an initial payment in the amount of $116.5 million on May 2, 2014, representing the first installment of $115 million plus interest thereon due under the settlement agreement. A second installment of $35 million plus interest thereon will be payable on or prior to October 23, 2014.

In consideration of our obligations under the settlement agreement and conditioned upon our full payment of the settlement amount, the United States agreed to release us from any civil or administrative monetary claim under the False Claims Act and various other statutes and legal theories for (a) claims involving home health services rendered by certain of our care centers from January 1, 2008 through December 31, 2010 that the United States contended were (i) provided to patients who were not homebound, (ii) provided to patients lacking a need for skilled nursing and/or skilled therapy services, (iii) provided to patients without regard to medical necessity, or (iv) overbilled by upcoding patients' diagnoses, and (b) claims arising from our billings to the Medicare program during the period from April 1, 2008 through April 30, 2012 for home health services referred by a particular physician practice group while we were providing such practice group remuneration that was not consistent with fair market value in the form of patient care coordination services performed by our employees.

The settlement agreement also resolved allegations made against us by various *qui tam* relators, who were required to dismiss their claims with prejudice. We were required to pay various relators' attorneys' fees and expenses in the aggregate sum of approximately $3.9 million. In addition, we will incur additional expenses in the future in connection with compliance measures mandated by the corporate integrity agreement discussed below.

We have previously recorded an accrual for the settlement amount and added the amount of the relators' attorneys' fees to this accrual in the quarter ended March 31, 2014.

In connection with the settlement agreement, on April 23, 2014, we entered into a corporate integrity agreement with the Office of Inspector General-HHS. The corporate integrity agreement formalizes various aspects of our already existing ethics and compliance programs and contains other requirements designed to help ensure our ongoing compliance with federal health care program requirements. Among other things, the corporate integrity agreement requires us to maintain our existing compliance program and compliance committee; provide certain compliance training; continue screening new and current employees against certain lists to ensure they are not ineligible to participate in federal health care programs; engage an independent review organization to perform certain auditing and reviews and prepare certain reports regarding our compliance with federal health care programs, our billing

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submissions to federal health care programs and our compliance and risk mitigation programs; and provide certain reports and management certifications to Office of Inspector General-HHS. Upon breach of the corporate integrity agreement, we could become liable for payment of certain stipulated penalties, or could be excluded from participation in federal health care programs. The corporate integrity agreement has a term of five years.

OIG Self-Disclosure

In October 2012, we made a disclosure to the Office of Counsel to the Inspector General of the United States Department of Health and Human Services (the "OIG") pursuant to the OIG Provider Self-Disclosure Protocol regarding certain clinical documentation issues and eligibility regulatory requirements at two of our hospice care centers. These hospice care centers did not comply in some respects with certain state and Medicare hospice regulations including those requiring physicians to certify patient eligibility and requiring patient face-to-face encounters. We recorded an additional accrual of approximately $1 million during the three-month period ended September 30, 2013 increasing the total accrual to approximately $2 million as of September 30, 2013, where it remained at December 31, 2013. A final settlement agreement with OIG, pursuant to which we agreed to pay approximately $2 million to settle the matter, was executed on March 12, 2014.

In September and October 2013, we made preliminary disclosures to OIG under the OIG's Provider Self-Disclosure Protocol regarding certain clinical documentation issues at one of our home health care centers. This care center appears to have not complied with certain Medicare home health regulations, including those relating to physician signature requirements and face-to-face documentation. We made a disclosure in March 2014 to OIG providing additional information relating to the information disclosed in the preliminary disclosures sent in September and October 2013. As of June 30, 2014, we have an accrual of approximately $1.9 million for this matter. Our review is ongoing, and we intend to cooperate with the OIG in its review of this matter.

Wage and Hour Litigation

On July 25, 2012, a putative collective and class action complaint was filed in the United States District Court for the District of Connecticut against us in which three former employees allege wage and hour law violations. The former employees claim that they were not paid overtime for all hours worked over forty hours in violation of the Federal Fair Labor Standards Act ("FLSA"), as well as the Pennsylvania Minimum Wage Act. More specifically, they allege they were paid on both a per-visit and an hourly basis, and that such a pay scheme resulted in their misclassification as exempt employees, thereby denying them overtime pay. Moreover, in response to a Company motion arguing that plaintiffs' complaint was deficient in that it was ambiguous and failed to provide fair notice of the claims asserted and plaintiffs' opposition thereto, the Court, on April 8, 2013, held that the complaint adequately raises general allegations that the plaintiffs were not paid overtime for all hours worked in a week over forty, which may include claims for unpaid overtime under other theories of liability, such as alleged off-the-clock work, in addition to plaintiffs' more clearly stated allegations based on misclassification. On behalf of themselves and a class of current and former employees they allege are similarly situated, plaintiffs seek attorneys' fees, back wages and liquidated damages going back three years under the FLSA and three years under the Pennsylvania statute. On October 8, 2013, the Court granted plaintiffs' motion for equitable tolling requesting that the statute of limitations for claims under the FLSA for plaintiffs who opt-in to the lawsuit be tolled from September 24, 2012, the date upon which plaintiffs filed their original motion for conditional certification, until 90 days after any notice of this lawsuit is issued following conditional certification. Following a motion for reconsideration filed by the Company, on December 3, 2013, the Court modified this order, holding that putative class members' FLSA claims are tolled from October 29, 2012 through the date of the Court's order on plaintiffs' motion for conditional certification. On January 13, 2014, the Court granted plaintiffs' July 10, 2013 motion for conditional certification of their FLSA claims and authorized issuance of notice to putative class members to provide them an opportunity to opt in to the action. On April 17, 2014, that notice was mailed to putative class members. The period within which putative class members were permitted to opt in to the action expired on July 16, 2014.

On September 13, 2012, a putative collective and class action complaint was filed in the United States District Court for the Northern District of Illinois against us in which a former employee alleges wage and hour law violations. The former employee claims she was paid on both a per-visit and an hourly basis, thereby misclassifying her as an exempt employee and entitling her to overtime pay. The plaintiff alleges violations of Federal and state law and seeks damages under the FLSA and the Illinois Minimum Wage Law. Plaintiff seeks class certification of similar employees who were or are employed in Illinois and seeks attorneys' fees, back wages and liquidated damages going back three years under the FLSA and three years under the Illinois statute. On May 28, 2013, the Court granted the Company's motion to stay the case pending resolution of class certification issues and dispositive motions in the earlier-filed Connecticut case referenced above.

We are unable to assess the probable outcome or reasonably estimate the potential liability, if any, arising from the securities and wage and hour litigation described above. The Company intends to continue to vigorously defend itself in the securities and wage and hour litigation matters. No assurances can be given as to the timing or outcome of the OIG Self-Disclosure, the securities and wage and hour matters described above or the impact of any of the inquiry or litigation matters on the Company, its consolidated financial condition, results of operations or cash flows, which could be material, individually or in the aggregate.

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We recognize that additional putative securities class action complaints and other litigation could be filed, and that other investigations and actions could be commenced, relating to matters involving our home therapy visits and therapy utilization trends or other matters.

In addition to the matters referenced in this note, we are involved in legal actions in the normal course of business, some of which seek monetary damages, including claims for punitive damages. We do not believe that these normal course actions, when finally concluded and determined, will have a material impact on our consolidated financial condition, results of operations or cash flows.

Third Party Audits

From time to time, in the ordinary course of business, we are subject to audits under various governmental programs in which third party firms engaged by CMS conduct extensive review of claims data to identify potential improper payments under the Medicare program.

In January 2010, our subsidiary that provides home health services in Dayton, Ohio received from a Medicare Program Safeguard Contractor ("PSC") a request for records regarding 137 claims submitted by the subsidiary paid from January 2, 2008 through November 10, 2009 (the "Claim Period") to determine whether the underlying services met pertinent Medicare payment requirements. Based on the PSC's findings for 114 of the claims, which were extrapolated to all claims for home health services provided by the Dayton subsidiary paid during the Claim Period, on March 9, 2011, the Medicare Administrative Contractor ("MAC") for the subsidiary issued a notice of overpayment seeking recovery from our subsidiary of an alleged overpayment of approximately $5.6 million. We dispute these findings, and our Dayton subsidiary has filed appeals through the Original Medicare Standard Appeals Process, in which we are seeking to have those findings overturned. Most recently, a consolidated administrative law judge ("ALJ") hearing was held in late March 2013. In January 2014, the ALJ found fully in favor of our Dayton subsidiary on 74 appeals and partially in favor of our Dayton subsidiary on eight appeals. Taking into account the ALJ's decision, certain determinations that our Dayton subsidiary decided not to appeal as well as certain determinations made by the MAC, of the 114 claims that were originally extrapolated by the MAC, 76 claims have now been decided in favor of our Dayton subsidiary in full, 10 claims have been decided in favor of our Dayton subsidiary in part, and 28 claims have been decided against or not appealed by our Dayton subsidiary. The ALJ has ordered the MAC to recalculate the extrapolation amount based on the ALJ's decision. The Medicare Appeals Council can decide on its own motion to review the ALJ's decisions. As of June 30, 2014, we have recorded no liability with respect to the pending appeals as we do not believe that an estimate of a reasonably possible loss or range of loss can be made at this time.

In July 2010, our subsidiary that provides hospice services in Florence, South Carolina received from a Zone Program Integrity Contractor ("ZPIC") a request for records regarding a sample of 30 beneficiaries who received services from the subsidiary during the period of January 1, 2008 through March 31, 2010 (the "Review Period") to determine whether the underlying services met pertinent Medicare payment requirements. We acquired the hospice operations subject to this review on August 1, 2009; the Review Period covers time periods both before and after our ownership of these hospice operations. Based on the ZPIC's findings for 16 beneficiaries, which were extrapolated to all claims for hospice services provided by the Florence subsidiary billed during the Review Period, on June 6, 2011, the MAC for the subsidiary issued a notice of overpayment seeking recovery from our subsidiary of an alleged overpayment. We dispute these findings, and our Florence subsidiary has filed appeals through the Original Medicare Standard Appeals Process, in which we are seeking to have those findings overturned. Most recently, we have requested appeal hearings before an ALJ, which have been scheduled to occur on September 3, 2014, but no assurances can be given as to the timing or outcome of the ALJ appeal. The current alleged extrapolated overpayment is $6.1 million. In the event we pay any amount of this alleged overpayment, we are indemnified by the prior owners of the hospice operations for amounts relating to the period prior to August 1, 2009. As of June 30, 2014, we have recorded no liability for this claim as we do not believe that an estimate of a reasonably possible loss or range of loss can be made at this time.

Insurance

We are obligated for certain costs associated with our insurance programs, including employee health, workers' compensation and professional liability. While we maintain various insurance programs to cover these risks, we are self-insured for a substantial portion of our potential claims. We recognize our obligations associated with these costs, up to specified deductible limits in the period in which a claim is incurred, including with respect to both reported claims and claims incurred but not reported. These costs have generally been estimated based on historical data of our claims experience. Such estimates, and the resulting reserves, are reviewed and updated by us on a quarterly basis.

Our health insurance has a retention limit of $0.9 million, our workers' compensation insurance has a retention limit of $0.5 million and our professional liability insurance has a retention limit of $0.3 million.

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7. SEGMENT INFORMATION

Our operations involve servicing patients through our two reportable business segments: home health and hospice. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from surgery, have a chronic disability or terminal illness or need assistance with the essential activities of daily living. Our hospice segment provides palliative care and comfort to terminally ill patients and their families. The “other” column in the following tables consists of costs relating to corporate support functions that are not directly attributable to a specific segment.

Management evaluates performance and allocates resources based on the operating income of the reportable segments, which includes an allocation of corporate expenses directly attributable to the specific segment and includes revenues and all other costs directly attributable to the specific segment. Corporate expenses consist of cost relating to our executive management and corporate and administrative support functions that are not directly attributable to a specific segment. Corporate and administrative support functions represent primarily information services, accounting and finance, billing and collections, legal, compliance and risk management, procurement, marketing, clinical administration, training and human resource benefits and administration. Segment assets are not reviewed by the company’s chief operating decision maker and therefore are not disclosed below (amounts in millions).

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	For the Three-Month Period Ended June 30, 2014			
	Home Health	Hospice	Other	Total
Net service revenue	$ 243.5	$ 61.5	$ —	$ 305.0
Cost of service, excluding depreciation and amortization	139.3	33.2	—	172.5
General and administrative expenses	67.2	14.1	26.7	108.0
Provision for doubtful accounts	3.7	0.5	—	4.2
Depreciation and amortization	2.3	0.6	4.8	7.7
Operating expenses	212.5	48.4	31.5	292.4
Operating income (loss)	$ 31.0	$ 13.1	$ (31.5)	$ 12.6

	For the Three-Month Period Ended June 30, 2013			
	Home Health	Hospice	Other	Total
Net service revenue	$ 250.5	$ 65.4	$ —	$ 315.9
Cost of service, excluding depreciation and amortization	143.2	34.5	—	177.7
General and administrative expenses	76.0	15.9	25.8	117.7
Provision for doubtful accounts	3.0	1.6	—	4.6
Depreciation and amortization	2.7	0.5	6.2	9.4
Other intangibles impairment charge	2.3	—	—	2.3
Operating expenses	227.2	52.5	32.0	311.7
Operating income (loss)	$ 23.3	$ 12.9	$ (32.0)	$ 4.2

	For the Six-Month Period Ended June 30, 2014			
	Home Health	Hospice	Other	Total
Net service revenue	$ 480.2	$ 123.5	$ —	$ 603.7
Cost of service, excluding depreciation and amortization	283.3	66.2	—	349.5
General and administrative expenses	143.2	30.3	60.8	234.3
Provision for doubtful accounts	7.7	1.4	—	9.1
Depreciation and amortization	4.9	1.1	9.6	15.6
Other intangibles impairment charge	1.2	1.0	—	2.2
Operating expenses	440.3	100.0	70.4	610.7
Operating income (loss)	$ 39.9	$ 23.5	$ (70.4)	$ (7.0)

	For the Six-Month Period Ended June 30, 2013			
	Home Health	Hospice	Other	Total
Net service revenue	$ 512.5	$ 132.0	$ —	$ 644.5
Cost of service, excluding depreciation and amortization	293.7	69.7	—	363.4
General and administrative expenses	156.1	33.1	52.1	241.3
Provision for doubtful accounts	4.9	3.6	—	8.5
Depreciation and amortization	5.4	1.1	12.9	19.4
Other intangibles impairment charge	2.3	—	—	2.3
Operating expenses	462.4	107.5	65.0	634.9
Operating income (loss)	$ 50.1	$ 24.5	$ (65.0)	$ 9.6

8. SUBSEQUENT EVENT

Credit Agreement

On July 28, 2014, we entered into a Second Lien Credit Agreement (“Term Loan Agreement”) providing for a term loan in an aggregate principal amount of $70.0 million. In connection therewith, we also entered into a Second Lien Security and Pledge Agreement for the purpose of securing the payment of our obligations under the Term Loan Agreement. The proceeds of the Term Loan Agreement were used to pay off a portion of the revolving credit balances under our existing senior secured Credit Agreement dated as of October 26, 2012. The final maturity date of the term loan under the Second Lien Agreement is July 28, 2020. There is no amortization associated with the Second Lien Agreement, with the full $70.0 million due at final maturity.

In connection with the Term Loan Agreement, on July 28, 2014, we entered into an Intercreditor Agreement with, among others, the administrative agent for the lenders under our existing senior secured Credit Agreement and the administrative agent for the lenders under the Term Loan Agreement. The Intercreditor Agreement provides, among other things, that the liens on the collateral securing the Term Loan Agreement and

related obligations will be junior and subordinate in all respects to the liens on the collateral securing our senior secured Credit Agreement and related obligations.

Also in connection with the Term Loan Agreement, on July 28, 2014, we entered into the fourth amendment to our existing senior secured Credit Agreement, which amends certain covenants, representations and other provisions in the Credit Agreement, to among other things, allow for our entry into the Term Loan Agreement and obligate us to enter into the Intercreditor Agreement. As consideration for the foregoing, the Fourth Amendment also (i) decreases the aggregate principal amount of the revolving credit facility under the Credit Agreement from up to $165.0 million to up to $120.0 million, (ii) revises the exclusions and baskets associated with certain of the representations and covenants in the Credit Agreement including those relating to the incurrence of liens, the incurrence of additional debt, sales of assets, acquisitions and the prepayment of the Term Loan Agreement and (iii) revises the exceptions and baskets associated with the two financial covenants that we are required to maintain under the Credit Agreement and adds a third financial covenant. See Note 5 – Long-Term Obligations for additional information on our existing senior secured Credit Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our results of operations and financial condition for the three and six-month period ended June 30, 2014. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included herein, and the consolidated financial statements and notes and the related Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission ("SEC") on March 12, 2014 (the "Form 10-K"), which are incorporated herein by this reference.

Unless otherwise provided, "Amedisys," "we," "our," and the "Company" refer to Amedisys, Inc. and our consolidated subsidiaries.

Overview

We are a leading provider of high-quality, low-cost home health services to the chronic, co-morbid, aging American population with approximately 82% and 84% of our revenue derived from Medicare for the three-month periods ended June 30, 2014 and 2013, respectively, and approximately 82% and 84% of our revenue derived from Medicare for the six-month periods ended June 30, 2014 and 2013, respectively.

Our operations involve servicing patients through our two reportable business segments: home health and hospice. Our home health segment delivers a wide range of services in the homes of individuals who may be recovering from an illness, injury or surgery. Our hospice segment provides care that is designed to provide comfort and support for those who are facing a terminal illness. As of June 30, 2014, we owned and operated 316 Medicare-certified home health care centers, 80 Medicare-certified hospice care centers and one hospice inpatient unit in 33 states within the United States, the District of Columbia and Puerto Rico.

As part of our ongoing management of our portfolio of care centers, we review each care center's current financial performance, market penetration, forecasted market growth and the impact of proposed CMS payment revisions. As a result of our review, we committed to a plan to close or consolidate 54 operating care centers. Therefore, during the three months ended March 31, 2014, we consolidated four home health care centers with care centers servicing the same markets, closed four home health care centers and one hospice care center and sold one home health care center. During the three months ended June 30, 2014, we consolidated 18 home health care centers and four hospice care centers with care centers servicing the same markets, closed 18 home health care centers and three hospice care centers and sold six home health care centers and four hospice care centers.

In connection with the care centers that we planned to close and consolidate, we recorded non-cash charges of $2.2 million in other intangibles impairment expense related to the write-off of intangible assets, $2.1 million in other general and administrative expenses related to lease termination costs and $2.1 million in salaries and benefits related to severance costs during the three-month period ended March 31, 2014.

During the quarter ended March 31, 2014, we restructured our regional leadership and corporate support functions. As such, we recorded charges of $3.4 million in salaries and benefits related to severance costs during the three month period ended March 31, 2014. In addition, on February 20, 2014 William F. Borne stepped down from his positions as Chief Executive Officer, Chairman and a member of our Board of Directors and we recorded charges of $2.3 million in salaries and benefits related to severance costs.

Owned and Operated Care Centers

	Home Health	Hospice
At December 31, 2013	367	92
Closed/Consolidated/Sold	(51)	(12)
At June 30, 2014	316	80

Recent Developments

Governmental Inquiries and Investigations and Other Litigation

On April 23, 2014, we entered into a settlement agreement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. Pursuant to the settlement agreement, we paid the United States an initial payment in the amount of $116.5 million on May 2, 2014, representing the first installment of $115 million plus interest thereon due under the settlement agreement. A second installment of $35 million plus interest thereon will be payable on or prior to October 23, 2014.

The settlement agreement also resolves allegations made against us by various qui tam relators, who are required to dismiss their claims with prejudice. We paid various relators' attorneys' fees and expenses in the aggregate sum of approximately $3.9 million.

In connection with the settlement agreement, on April 23, 2014, we entered into a corporate integrity agreement with the Office of Inspector General-HHS. The corporate integrity agreement formalizes various aspects of our already existing ethics and compliance programs and contains other requirements designed to help ensure our ongoing compliance with federal health care program requirements. Among other things, the corporate integrity agreement requires us to maintain our existing compliance program and compliance committee; provide certain compliance training; continue screening new and current employees against certain lists to ensure they are not ineligible to participate in federal health care programs; engage an independent review organization to perform certain auditing and reviews and prepare certain reports regarding our compliance with federal health care programs, our billing submissions to federal health care programs and our compliance and risk mitigation programs; and provide certain reports and management certifications to Office of Inspector General-HHS. Upon breach of the corporate integrity agreement, we could become liable for payment of certain stipulated penalties, or could be excluded from participation in federal health care programs. The corporate integrity agreement has a term of five years. We expect the CIA to impact operating expenses by approximately $1 to $2 million annually beginning in 2015.

See Note 6 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding the U.S. Department of Justice settlement, our corporate integrity agreement and for a discussion of and updates regarding the self-disclosure matters and class action litigation we are involved in. No assurances can be given as to the timing or outcome of these items.

Payment

In May 2014, CMS issued a proposed rule to update hospice payment rates and the wage index for fiscal year 2015 and continue the phase out of the wage index budget neutrality adjustment factor. The proposed rule includes a 2.7% market basket update which is reduced by the following: a 0.7% adjustment from the Patient Protection and Affordable Care Act (“PPACA”) and 0.7% for the updated wage index and budget neutrality adjustment factor. The net effect of the proposed rule increases the base rate for fiscal year 2015 by 1.3%.

In July 2014, CMS issued a proposed rule to update and revise Medicare home health reimbursement rates for the calendar year 2015. The proposed rule includes a rebasing cut of 2.5% as allowed by the PPACA and the Health Care and Education Reconciliation Act of 2010 and a negative multifactor productivity adjustment of 0.4% offset by a 2.6% market basket increase. CMS estimates that the net effect of these changes is approximately a 0.3% decrease in reimbursement to home health providers. Our impact could differ depending on differences in the wage index and the impact of coding changes. We expect CMS to issue a final rule in the fourth quarter of 2014.

Results of Operations

Three-Month Period Ended June 30, 2014 Compared to the Three-Month Period Ended June 30, 2013

Consolidated

The following table summarizes our consolidated results from continuing operations (amounts in millions):

	For the Three-Month Periods Ended June 30,	
	2014	2013
Net service revenue	$ 305.0	$ 315.9
Gross margin, excluding depreciation and amortization	132.5	138.2
% of revenue	*43.4 %*	*43.7 %*
Other operating expenses	119.9	131.7
% of revenue	*39.3 %*	*41.7 %*
Other intangibles impairment charge	—	2.3
Operating income	12.6	4.2
Total other expense, net	(0.2)	(0.9)
Income tax expense	(4.8)	(1.3)
Effective income tax rate	*38.4 %*	*40.1 %*
Income from continuing operations	7.6	2.0
Net income (loss) from discontinued operations	0.1	(0.2)
Net loss attributable to noncontrolling interests	(0.1)	—
Net income attributable to Amedisys, Inc.	$ 7.6	$ 1.8

Our operating results have been impacted by the sale, closure and consolidation of 79 care centers since June 30, 2013. Accordingly, our results for the three-month period ended June 30, 2014 are not fully comparable to the three-month period ended June 30, 2013.

Our operating income before the $2 million other intangibles impairment charge in 2013, increased $6 million as our home health operating income increased $5 million, our hospice operating income remained flat and corporate expenses decreased $1 million. Our home health operating income increased primarily as a result of a decrease in other operating expenses primarily due to closures and the restructure of our regional leadership and corporate support functions.

Home Health Division

The following table summarizes our home health segment results from continuing operations:

	For the Three-Month Periods Ended June 30,	
	2014	2013
Financial Information *(in millions)*:		
Medicare	$ 191.5	$ 204.6
Non-Medicare	52.0	45.9
Net service revenue	243.5	250.5
Cost of service	139.3	143.2
Gross margin	104.2	107.3
Other operating expenses	73.2	81.7
Operating income before impairment charges (1)	$ 31.0	$ 25.6
Key Statistical Data:		
Medicare:		
Same Store Volume (2):		
Revenue	2%	(10%)
Admissions	0%	0%
Recertifications	2%	(18%)
Total (3):		
Admissions	43,974	47,734
Recertifications	26,283	27,493
Completed episodes	70,276	75,461
Visits	1,225,278	1,323,138
Average revenue per completed episode (4)	$ 2,845	$ 2,831
Visits per completed episode (5)	17.5	17.7
Non-Medicare (3):		
Admissions	20,731	18,235
Recertifications	8,057	7,532
Visits	412,481	380,502
Total (3):		
Cost per Visit	$ 85.08	$ 84.09
Visits	1,637,759	1,703,640

(1) Operating income of $23.3 million on a GAAP basis for the three-month period ended June 30, 2013.
(2) Medicare revenue, admissions or recertifications same store volume is the percent increase (decrease) in our Medicare revenue, admissions or recertifications for the period as a percent of the Medicare revenue, admissions or recertifications of the prior period.
(3) Based on continuing operations for all periods presented.
(4) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care which excludes the impact of sequestration.
(5) Medicare visits per completed episode are the home health Medicare visits on completed episodes divided by the home health Medicare episodes completed during the period.

Overall, our operating income before the $2 million other intangibles impairment charge in 2013 increased $5 million on a $7 million decline in revenue, a $4 million decline in cost of service and an $8 million decline in other operating expenses.

Net Service Revenue

Our Medicare revenue decline of approximately $13 million consisted of $14 million due to lower volumes offset by a $1 million increase related to revenue per episode. The decrease in volumes is primarily due to the sale, closure and consolidation of 64 care centers since June 30, 2013, the majority of which occurred during the second quarter of 2014.

Our non-Medicare revenue increased $6 million which is primarily due to increases in volumes and an increase in our revenue per visit.

Cost of Service, Excluding Depreciation and Amortization

Our cost of service decreased $4 million primarily as a result of our decrease in Medicare volumes and a decrease in visits per episode which was offset by a 1% increase in cost per visit.

Other Operating Expenses

Our other operating expenses decreased $8 million primarily due to a decrease in other care center related expenses due to our closure and consolidation strategy and the reduction in divisional leadership. The primary reduction in other operating expenses is related to salaries and benefits and rent expense.

Hospice Division

The following table summarizes our hospice segment results from continuing operations:

	For the Three-Month Periods Ended June 30,	
	2014	2013
Financial Information (in millions):		
Medicare revenue	$ 57.7	$ 61.6
Non-Medicare revenue	3.8	3.8
Net service revenue	61.5	65.4
Cost of service	33.2	34.5
Gross margin	28.3	30.9
Other operating expenses	15.2	18.0
Operating income	$ 13.1	$ 12.9
Key Statistical Data:		
Same store Medicare revenue growth (1)	(3%)	(12%)
Hospice admits	4,350	4,655
Average daily census	4,649	5,006
Revenue per day	$ 145.44	$ 143.61
Cost of service per day	$ 78.24	$ 75.34
Average length of stay	99	99

(1) Same store Medicare revenue volume is the percent increase (decrease) in our Medicare revenue for the period as a percent of the Medicare revenue of the prior period.

Overall, our operating income remained flat on a $4 million decline in revenue, a $1 million decline in cost of service and a $3 million decline in other operating expenses.

Net Service Revenue

Our hospice revenue decreased $4 million, primarily as the result of a decrease in our average daily census. The decrease in average daily census is primarily due to the sale, closure and consolidation of 15 care centers since June 30, 2013, the majority of which occurred during the second quarter of 2014. We benefitted from a 1.0% hospice rate increase effective October 1, 2013.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service decreased $1 million, or 4% as the result of a 7% decrease in average daily census offset by an increase in cost of service per day. Our cost per day has been negatively impacted by an increase in pharmacy costs as a result of new CMS guidance which became effective on May 1, 2014.

Other Operating Expenses

Our other operating expenses decreased $3 million primarily due to a decrease in other care center related expenses due to our care center closure and consolidation strategy.

Corporate

The following table summarizes our corporate results from continuing operations:

	For the Three-Month Periods Ended June 30,	
	2014	2013
Financial Information (in millions):		
Other operating expenses	$ 26.7	$ 25.8
Depreciation and amortization	4.8	6.2
Total	$ 31.5	$ 32.0

Corporate expenses consist of cost relating to our executive management and corporate and administrative support functions that are not directly attributable to a specific segment. Corporate and administrative support functions represent primarily information services, accounting and finance, billing and collections, legal, compliance and risk management, procurement, marketing, clinical administration, training and human resource benefits and administration.

Six-Month Period Ended June 30, 2014 Compared to the Six-Month Period Ended June 30, 2013

Consolidated

The following table summarizes our consolidated results from continuing operations (amounts in millions):

	For the Six-Month Periods Ended June 30,	
	2014	2013
Net service revenue	$ 603.7	$ 644.5
Gross margin, excluding depreciation and amortization	254.2	281.1
% of revenue	*42.1 %*	*43.6 %*
Other operating expenses	259.0	269.2
% of revenue	*42.9 %*	*41.8 %*
Other intangibles impairment charge	2.2	2.3
Operating (loss) income	(7.0)	9.6
Total other expense, net	(0.5)	(1.5)
Income tax benefit (expense)	2.9	(3.2)
Effective income tax rate	*(38.3 %)*	*39.6 %*
(Loss) income from continuing operations	(4.6)	4.9
Net loss from discontinued operations	(0.2)	(0.9)
Net loss (income) attributable to noncontrolling interests	—	0.5
Net (loss) income attributable to Amedisys, Inc.	$ (4.8)	$ 4.5

During the first quarter of 2014, we committed to a plan to consolidate 21 operating home health care centers and four operating hospice care centers with care centers servicing the same markets and close 23 home health care centers and six hospice care centers. As a result of our exit activity mentioned above we reduced our regional leadership structure and corporate support functions. Separate from the restructuring costs we also recorded severance costs associated with the departure of our CEO on February 20, 2014. The following details the costs associated with these activities (amounts in millions):

	For the Six Month Period Ended June 30, 2014			
	Home Health	Hospice	Corporate	Total
Severance (a)	$ 2.0	$ 0.1	$ —	$ 2.1
Restructuring severance	2.1	0.6	3.0	5.7
Lease terminations	1.9	0.2	—	2.1
Other intangibles impairment	1.2	1.0	—	2.2
Exit and restructuring activities costs	7.2	1.9	3.0	12.1
Relator fees	—	—	3.9	3.9
Total	$ 7.2	$ 1.9	$ 6.9	$ 16.0

(a) Includes $0.8 million and $0.1 million for severance included in cost of service for home health and hospice, respectively.

Our operating results have been impacted by the sale, closure and consolidation of 79 care centers since June 30, 2013. Accordingly, our results for the six-month period ended June 30, 2014 are not fully comparable to the six-month period ended June 30, 2013.

Our operating income excluding the items noted above declined $3 million as our home health operating income declined $5 million, our hospice operating income increased $1 million and corporate expenses decreased $1 million. Sequestration impacted revenue and operating income by approximately $3 million.

Home Health Division

The following table summarizes our home health segment results from continuing operations:

	For the Six-Month Periods Ended June 30,	
	2014	2013
Financial Information *(in millions)*:		
Medicare	$ 380.2	$ 417.2
Non-Medicare	100.0	95.3
Net service revenue	480.2	512.5
Cost of service	283.3	293.7
Gross margin	196.9	218.8
Other operating expenses	155.8	166.4
Operating income before impairment charges (1)	$ 41.1	$ 52.4
Key Statistical Data:		
Medicare:		
Same Store Volume (2):		
Revenue	(2%)	(9%)
Admissions	(1%)	1%
Recertifications	(2%)	(18%)
Total (3):		
Admissions	90,501	97,741
Recertifications	52,061	56,180
Completed episodes	137,748	151,345
Visits	2,429,817	2,694,022
Average revenue per completed episode (4)	$ 2,812	$ 2,804
Visits per completed episode (5)	17.2	17.6
Non-Medicare (3):		
Admissions	41,924	39,821
Recertifications	15,508	15,732
Visits	802,621	802,858
Total (3):		
Cost per Visit	$ 87.65	$ 83.99
Visits	3,232,438	3,496,880

(1) Operating income of $39.9 million and $50.1 million on a GAAP basis for the six-month periods ended June 30, 2014 and 2013, respectively.
(2) Medicare revenue, admissions or recertifications volume is the percent increase (decrease) in our Medicare revenue, admissions or recertifications for the period as a percent of the Medicare revenue, admissions or recertifications of the prior period.
(3) Based on continuing operations for all periods presented.
(4) Average Medicare revenue per completed episode is the average Medicare revenue earned for each Medicare completed episode of care which excludes the impact of sequestration.
(5) Medicare visits per completed episode are the home health Medicare visits on completed episodes divided by the home health Medicare episodes completed during the period.

Overall, our operating income excluding $7 million in exit activity costs, declined $5 million on a $32 million decline in revenue. Sequestration impacted revenue and operating income by $2 million. Medicare revenue was impacted by lower volumes offset by an $11 million decrease in cost of service and a $16 million decrease in other operating expenses.

Net Service Revenue

Our Medicare revenue decline of approximately $37 million consisted of $35 million due to lower volumes and $2 million due to sequestration, partially offset by higher revenue per episode. The volume decline is due to declines in both admissions and recertifications, primarily as the result of the sale, closure and consolidation of 64 care centers since June 30, 2013, the majority of which occurred during the second quarter of 2014. Our revenue per episode remained flat while our visits per episode decreased 2%.

Our non-Medicare revenue increased $5 million which is primarily due to a 5% increase in our revenue per visit.

Cost of Service, Excluding Depreciation and Amortization

Our cost of service excluding $1 million in exit activity costs, decreased $11 million primarily as a result of our decrease in volume offset by a 4% increase in cost per visit. The increase in cost per visit is the result of wage inflation, an increase in salaried clinicians and the impact of lower visits due to the fixed nature of some of our care delivery costs.

Other Operating Expenses

Other operating expenses excluding $6 million in exit activity costs, decreased $16 million with $8 million attributed primarily to salary and wages. The remaining $8 million is primarily the result of reductions in facilities and travel expenses and other care center related costs, offset by an increase in our provision for doubtful accounts which is reflective of our increase in non-Medicare revenue and our higher percentage of contracted payors. Our strategy to consolidate care centers within overlapping markets was a major factor in this decrease.

Hospice Division

The following table summarizes our hospice segment results from continuing operations:

	For the Six-Month Periods Ended June 30,	
	2014	2013
Financial Information (in millions):		
Medicare revenue	$ 116.1	$ 124.4
Non-Medicare revenue	7.4	7.6
Net service revenue	123.5	132.0
Cost of service	66.2	69.7
Gross margin	57.3	62.3
Other operating expenses	32.8	37.8
Operating income before impairment charges (1)	$ 24.5	$ 24.5
Key Statistical Data:		
Same store Medicare revenue growth (2)	(4%)	(8%)
Hospice admits	8,945	9,612
Average daily census	4,685	5,038
Revenue per day	$ 145.70	$ 144.79
Cost of service per day	$ 77.86	$ 76.19
Average length of stay	99	101

(1) Operating income of $23.5 million on a GAAP basis for the six-month period ended June 30, 2014.
(2) Same store Medicare revenue growth is the percent increase in our Medicare revenue for the period as a percent of the Medicare revenue of the prior period.

Our operating income, excluding the $2 million in exit activity costs increased $1 million primarily as a result of declines in cost of service and other operating expenses. Sequestration impacted revenue and operating income by $1 million.

Net Service Revenue

Our hospice revenue decreased $8 million, primarily as the result of a decrease in our average daily census and $1 million due to sequestration. The decrease in average daily census is primarily due to the sale, closure and consolidation of 15 care centers since June 30, 2013, the majority of which occurred during the second quarter of 2014. We benefitted from a 1.0% hospice rate increase effective October 1, 2014. Our cost per day has been negatively impacted by an increase in pharmacy costs due to new CMS guidance that became effective May 1, 2014.

Cost of Service, Excluding Depreciation and Amortization

Our hospice cost of service decreased $3 million, or 5%, which corresponds to our 7% decrease in average daily census.

Other Operating Expenses

Other operating expenses, excluding the $1 million in exit activity costs decreased $6 million due to a $2 million decrease in our provision for doubtful accounts and decreases in other care center related expenses due to our care center closure and consolidation strategy.

Corporate

The following table summarizes our corporate results from continuing operations:

	For the Six-Month Periods Ended June 30,	
	2014	2013
Financial Information (in millions):		
Other operating expenses	$ 60.8	$ 52.1
Depreciation and amortization	9.6	12.9
Total	$ 70.4	$ 65.0

Excluding the $7 million in exit activity costs, corporate expenses decreased $1 million as a result of decreases in depreciation and amortization.

Liquidity and Capital Resources

Cash Flows

The following table summarizes our cash flows for the periods indicated (amounts in millions):

	For the Six-Month Periods Ended June 30,	
	2014	2013
Cash (used in) provided by operating activities	$ (95.5)	$ 66.0
Cash used in investing activities	(9.4)	(24.2)
Cash provided by (used in) financing activities	98.8	(26.2)
Net (decrease) increase in cash and cash equivalents	(6.1)	15.6
Cash and cash equivalents at beginning of period	17.3	14.5
Cash and cash equivalents at end of period	$ 11.2	$ 30.1

Cash used in operating activities increased $161.5 million during 2014 compared to 2013 primarily due to the payment of $115.0 million on our settlement agreement with the U.S. Department of Justice and a decline in our operating performance in the first quarter of 2014. Adjusting for the $115.0 million settlement payment, we have generated $19.5 million in cash from operating activities for the six months ended June 30, 2014, with $25.9 million generated during the second quarter of 2014. For additional information regarding our operating performance, see “Results of Operations”.

Cash used in investing activities decreased $14.8 million during 2014 compared to 2013 primarily due to decreases in the purchases of property and equipment and investments.

Cash provided by financing activities increased $125.0 million during 2014 compared to 2013 due to an increase in our borrowings on our revolving line of credit. We increased our outstanding long-term obligations net of borrowings by $97.4 million from December 31, 2013, primarily to fund the $115.0 million settlement payment.

Liquidity

Typically, our principal source of liquidity is the collection of our patient accounts receivable, primarily through the Medicare program. During 2014 and 2013, we have experienced reimbursement reductions due to sequestration and the 2014 CMS rate cut, as well as lower volumes which have impacted our business and consolidated financial condition, results of operation and cash flows. In addition, CMS proposed to reduce reimbursement rates by 2.7% for rebasing in each year from calendar year 2015 to calendar year 2017; however, we do expect some offset from a market basket update. In addition to our collection of patient accounts receivable, from time to time, we can and do obtain additional sources of liquidity by the incurrence of additional indebtedness or through sales of equity.

On July 28, 2014, we entered into a Second Lien Credit Agreement providing for a term loan in an aggregate principal amount of $70.0 million and amended our existing senior secured Credit Agreement dated as of October 26, 2012. The proceeds of the Second Lien Credit Agreement were used to pay down a portion of our Revolving Credit Facility. See Note 8 – Subsequent Event to our condensed consolidated financial statements for additional information regarding the Second Lien Credit Agreement and the amendment to our existing senior secured Credit Agreement.

During the six-month period ended June 30, 2014, we spent $4.6 million in routine capital expenditures compared to $4.0 million during the six-month

period ended June 30, 2013. Routine capital expenditures primarily include equipment and computer software and hardware. In addition, we spent $4.5 million in non-routine capital expenditures related to enhancements to our point of are software during the six-month period ended June 30, 2014, compared to $15.6 million during the six-month period ended June 30, 2013. Our routine and non-routine capital expenditures for 2014 are expected to be approximately $11.1 million and $6.9 million, respectively.

On April 23, 2014, we entered into a settlement agreement to resolve both the U.S. Department of Justice investigation and the Stark Law Self-Referral matter. Pursuant to the settlement agreement, we paid the United States an initial payment in the amount of $116.5 million on May 2, 2014, representing the first installment of $115 million plus interest thereon due under the settlement agreement. A second installment of $35 million plus interest thereon will be payable on or prior to October 23, 2014. We plan to use cash on hand and our availability under our Revolving Credit Facility to make the required payments. See Note 6 – Commitments and Contingencies to our condensed consolidated financial statements for additional information regarding the U.S. Department of Justice settlement.

Based on our operating forecasts, our new debt service requirements and upcoming settlement payment, we believe we will have sufficient liquidity to fund our operations, capital requirements and debt service requirements; however, our ongoing ability to comply with the debt covenants under our credit agreement depends largely on the achievement of adequate levels of operating performance and cash flow. We routinely review our capital requirements to make sure that we have a capital structure in place that meets the current and future needs of the Company. We currently anticipate we will be in compliance with the covenants associated with our long-term obligations over the next 12 months. If our future operating performance and/or cash flows are less than expected, it could cause us to default on our financial covenants in the future. In the event we are not in compliance with our debt covenants in the future, we would pursue various alternatives in an attempt to successfully resolve the non-compliance, which might include, among other things, seeking debt covenant waivers or amendments. There can be no assurance that debt covenant waivers or amendments would be obtained, if needed.

Outstanding Patient Accounts Receivable

Our patient accounts receivable, net decreased $0.2 million from December 31, 2013 to June 30, 2014. Our cash collection as a percentage of revenue was 102% for the six-month period ended June 30, 2014, and 105% for the six-month period ended December 31, 2013. Our days revenue outstanding, net has decreased 0.1 days from 32.1 days at December 31, 2013 to 32.0 days at June 30, 2014.

Our patient accounts receivable includes unbilled receivables and are aged based upon our initial service date. At June 30, 2014, our unbilled patient accounts receivable, as a percentage of gross patient accounts receivable, was 30.5%, or $39.6 million, compared to 34.7%, or $44.8 million, at December 31, 2013. We monitor unbilled receivables on a care center by care center basis to ensure that all efforts are made to bill claims within timely filing deadlines. The timely filing deadline for Medicare is one year from the date the episode was completed and varies by state for Medicaid-reimbursable services and among insurance companies and other private payors.

Our provision for estimated revenue adjustments (which is deducted from our service revenue to determine net service revenue) and provision for doubtful accounts were as follows for the periods indicated (amounts in millions). We fully reserve for both our Medicare and other patient accounts receivable that are aged over 365 days.

	For the Three-Month Periods Ended June 30,		For the Six-Month Periods Ended June 30,	
	2014	2013	2014	2013
Provision for estimated revenue adjustments (1)	$ 1.4	$ 2.9	$ 2.6	$ 6.8
Provision for doubtful accounts (2)	4.2	4.8	9.2	8.7
Total	$ 5.6	$ 7.7	$ 11.8	$ 15.5
As a percent of revenue	1.9%	2.4%	2.0%	2.3%

(1) Includes $0.1 million from discontinued operations for the three-months ended June 30, 2013. Includes $0.1 million and $0.3 million from discontinued operations for the six-months ended June 30, 2014 and 2013, respectively.

(2) Includes $0.1 million from discontinued operations for the three-months ended June 30, 2013. Includes $0.1 million and $0.2 million from discontinued operations for the six-months ended June 30, 2014 and 2013, respectively.

The following schedules detail our patient accounts receivable, net of estimated revenue adjustments, by payor class, aged based upon initial date of service (amounts in millions, except days revenue outstanding, net):

	0-90	91-180	181-365	Over 365	Total
At June 30, 2014:					
Medicare patient accounts receivable, net (1)	$65.5	$ 10.1	$ 0.7	$ —	$ 76.3
Other patient accounts receivable:					
Medicaid	8.8	2.5	1.5	0.2	13.0
Private	22.9	6.4	5.6	1.7	36.6
Total	$31.7	$ 8.9	$ 7.1	$ 1.9	$ 49.6
Allowance for doubtful accounts (2)					(15.0)
Non-Medicare patient accounts receivable, net					$ 34.6
Total patient accounts receivable, net					$110.9
Days revenue outstanding, net (3)					32.0

	0-90	91-180	181-365	Over 365	Total
At December 31, 2013:					
Medicare patient accounts receivable, net (1)	$66.7	$ 8.7	$ —	$ —	$ 75.4
Other patient accounts receivable:					
Medicaid	11.4	2.6	1.3	0.3	15.6
Private	19.8	8.0	3.9	2.6	34.3
Total	$31.2	$ 10.6	$ 5.2	$ 2.9	$ 49.9
Allowance for doubtful accounts (2)					(14.2)
Non-Medicare patient accounts receivable, net					$ 35.7
Total patient accounts receivable, net					$111.1
Days revenue outstanding, net (3)					32.1

(1) The following table summarizes the activity and ending balances in our estimated revenue adjustments (amounts in millions), which is recorded to reduce our Medicare outstanding patient accounts receivable to their estimated net realizable value, as we do not estimate an allowance for doubtful accounts for our Medicare claims.

	For the Three-Month Period Ended June 30, 2014	For the Three-Month Period Ended December 31, 2013	For the Six-Month Period Ended June 30, 2014	For the Six-Month Period Ended December 31, 2013
Balance at beginning of period	$ 3.7	$ 6.0	$ 3.9	$ 6.8
Provision for estimated revenue adjustments (a)	1.4	—	2.6	2.5
Write offs	(1.4)	(2.1)	(2.8)	(5.4)
Balance at end of period	$ 3.7	$ 3.9	$ 3.7	$ 3.9

(a) Includes $0.1 million from discontinued operations for the three-month period ended December 31, 2013. Includes $0.1 million and $0.2 million from discontinued operations for the six-month periods ended June 30, 2014 and December 31, 2013, respectively.

Our estimated revenue adjustments were 4.6% and 4.9% of our outstanding Medicare patient accounts receivable at June 30, 2014 and December 31, 2013, respectively.

(2) The following table summarizes the activity and ending balances in our allowance for doubtful accounts (amounts in millions), which is recorded to reduce only our Medicaid and private payer outstanding patient accounts receivable to their estimated net realizable value.

	For the Three-Month Period Ended June 30, 2014	For the Three-Month Period Ended December 31, 2013	For the Six-Month Period Ended June 30, 2014	For the Six-Month Period Ended December 31, 2013
Balance at beginning of period	$ 14.1	$ 15.6	$ 14.2	$ 17.6
Provision for doubtful accounts (a)	4.2	3.6	9.2	7.7
Write offs	(3.4)	(5.0)	(8.5)	(11.1)
Balance at end of period	$ 14.9	$ 14.2	$ 14.9	$ 14.2

(a) Includes $0.2 million from discontinued operations for the three-month periods ended December 31, 2013, respectively. Includes $0.1 million and $0.3 million from discontinued operations for the six-month periods ended June 30, 2014 and December 31, 2013, respectively.

Our allowance for doubtful accounts was 30.2% and 28.5% of our outstanding Medicaid and private patient accounts receivable at June 30, 2014 and December 31, 2013, respectively.

(3) Our calculation of days revenue outstanding, net is derived by dividing our ending net patient accounts receivable (i.e., net of estimated revenue adjustments and allowance for doubtful accounts) at June 30, 2014 and December 31, 2013 by our average daily net patient revenue for the three-month periods ended June 30, 2014 and December 31, 2013, respectively.

Indebtedness

Our weighted average interest rate for our five year $60.0 million Term Loan was 3.5% and 3.4% for the three and six-month periods ended June 30, 2014, respectively as compared to 2.6% and 2.7% for the three and six-month periods ended June 30, 2013.

As of June 30, 2014, our total leverage ratio was 2.7, our fixed charge coverage ratio was 1.5, and we were in compliance with the covenants associated with our long-term obligations.

On July 28, 2014, we entered into a Second Lien Credit Agreement providing for a term loan in an aggregate principal amount of $70.0 million and amended our existing senior secured Credit Agreement dated as of October 26, 2012. The proceeds of the Second Lien Credit Agreement were used to pay down a portion of our Revolving Credit Facility. See Note 8 – Subsequent Event to our condensed consolidated financial statements for additional information regarding the Second Lien Credit Agreement and the amendment to our existing senior secured Credit Agreement.

As of the date of this filing, our availability under our $120.0 million Revolving Credit Facility, as amended by the fourth amendment to our existing senior secured Credit Agreement was $74.2 million as we had $20.8 million outstanding in letters of credit.

See Note 7 of the financial statements included in our Form 10-K for additional details on our outstanding long-term obligations which were outstanding as of December 31, 2013.

Inflation

We do not believe inflation has significantly impacted our results of operations.

Critical Accounting Policies

See Part II, Item 7 – Critical Accounting Policies and our consolidated financial statements and related notes in Part IV, Item 15 of our 2013 Annual Report on Form 10-K, for accounting policies and related estimates we believe are the most critical to understanding our condensed consolidated financial statements, financial condition and results of operations and which require complex management judgment and assumptions, or involve uncertainties. These critical accounting policies include revenue recognition; patient accounts receivable; insurance; goodwill and intangible assets; and income taxes. There have not been any changes to our significant accounting policies or their application since we filed our 2013 Annual Report on Form 10-K. See Note 2 – Summary of Significant Accounting Policies to our condensed consolidated financial statements for information pertaining to accounting changes effective in 2014 and for information on issued accounting pronouncements that will be effective in future periods.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from fluctuations in interest rates. Our Revolving Credit Facility and Term Loan carry a floating interest rate which is tied to the Eurodollar rate (*i.e.* LIBOR) and the Prime Rate and therefore, our condensed consolidated statements of operations and our condensed consolidated statements of cash flows will be exposed to changes in interest rates. As of June 30, 2014, the total amount of outstanding debt subject to interest rate fluctuations was $144.0 million. A 1.0% interest rate change would cause interest expense to change by approximately $1.4 million annually.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures which are designed to provide reasonable assurance of achieving their objectives and to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, disclosed and reported within the time periods specified in the SEC's rules and forms. This information is also accumulated and communicated to our management and Board of Directors to allow timely decisions regarding required disclosure.

In connection with the preparation of this Quarterly Report on Form 10-Q, as of June 30, 2014, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act.

Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of June 30, 2014, the end of the period covered by this Quarterly Report.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) that have occurred during the quarter ended June 30, 2014, that have materially impacted, or are reasonably likely to materially impact, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls or our internal controls over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls' effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and, based on an evaluation of our controls and procedures, our principal executive officer and our principal financial officer concluded our disclosure controls and procedures were effective at a reasonable assurance level as of June 30, 2014, the end of the period covered by this Quarterly Report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 6 to the condensed consolidated financial statements for information concerning our legal proceedings.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors included in Part I, "Item 1A. – "Risk Factors"" of our Annual Report on Form 10-K. These risk factors could materially impact our business, financial condition and/or operating results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely impact our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides the information with respect to purchases made by us of shares of our common stock during each of the months during the three-month period ended June 30, 2014:

Period	(a) Total Number of Share (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
April 1, 2014 to April 30, 2014	81,323	$ 15.50	—	$ —
May 1, 2014 to May 31, 2014	529	14.83	—	—
June 1, 2014 to June 30, 2014	328	13.83	—	—
	82,180 (1)	$ 15.49	—	—

(1) Includes shares of common stock surrendered to us by certain employees to satisfy tax withholding obligations in connection with the exercise of stock options previously awarded to such employees under our 1998 Stock Option Plan.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Second Lien Agreement

On July 28, 2014, we entered into a Second Lien Credit Agreement ("Second Lien Agreement") providing for a term loan in an aggregate principal amount of $70.0 million. The Agreement is among Amedisys Holding, L.L.C., as Co-Borrower, Amedisys, Inc., as Lead Borrower, the several banks and other financial institutions or entities from time to time parties thereto as lenders (the "Second Lien Lenders") and Cortland Capital Markets LLC, as Administrative Agent for the Second Lien Lenders (the "Second Lien Agent"). Various wholly-owned subsidiaries (the "Guarantors") guaranteed our obligations under the Second Lien Agreement. In connection therewith, we, Amedisys Holding, L.L.C. and the Guarantors also entered into a Second Lien Security Agreement dated as of July 28, 2014 (the "Second Lien Security Agreement") with the Second Lien Agent for the purpose of securing the payment of our obligations under the Second Lien Agreement.

The proceeds of the Second Lien Agreement were used to pay off a portion of the revolving credit balances under our existing senior secured Credit Agreement and related costs. The final maturity date of the term loan under the Second Lien Agreement is July 28, 2020. There is no amortization associated with the Second Lien Agreement, with the full $70.0 million due at final maturity.

The following descriptions of the Second Lien Agreement and the Second Lien Security Agreement do not purport to be complete and are qualified in their entirety by reference to the full text of the Second Lien Agreement and the Second Lien Security Agreement, which are filed as Exhibit 10.8 and Exhibit 10.9, respectively, to this Quarterly Report on Form 10-Q and are incorporated herein by reference.

The interest rate in connection with the Second Lien Agreement shall be selected from the following by us: (i) the ABR Rate plus 6.50% or (ii) the Eurodollar Rate plus 7.50%. The "ABR Rate" means the greatest of (a) the Prime Rate, (b) the Federal Funds Rate plus 0.50% per annum, (c) the Eurodollar Rate for an interest period of one month plus 1% per annum, or (d) 2%. The "Eurodollar Rate" is based upon the rate at which Eurodollar deposits in the London interbank market for an interest period of one, two, three or six months (as selected by us) are quoted with a LIBOR floor of 1.0%.

The covenants and events of default under the Second Lien Agreement are substantially analogous to the covenants and events of default under our existing senior secured Credit Agreement (as amended by the fourth amendment described below), with certain covenants under the Second Lien Agreement having an additional cushion in favor of the borrowers. The Second Lien Agreement requires us to satisfy substantially the same financial covenants as are included in our existing senior secured Credit Agreement: (i) leverage ratios of debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") and (ii) a fixed charge coverage ratio of adjusted EBITDA plus rent expense (less capital expenditures less cash taxes) to scheduled debt repayments plus interest expense plus rent expense. Further, the Second Lien Agreement contains customary covenants, including, but not limited to, restrictions on (a) incurrence of liens; (b) incurrence of additional debt; (c) sales of assets and other fundamental corporate changes; (d) investments; (e) declarations of dividends; and (f) capital expenditures. These covenants contain customary exclusions and baskets.

The Second Lien Agreement requires at all times that we provide guaranties and security agreements from (i) wholly-owned subsidiaries that in the aggregate represent not less than 95% of our consolidated net revenues and adjusted EBITDA from all wholly-owned subsidiaries, (ii) subsidiaries that in the aggregate represent not less than 70% of consolidated adjusted EBITDA, subject to certain exceptions, and (iii) any subsidiary that is a guarantor of our existing senior secured Credit Agreement, as amended by the fourth amendment described below.

Pursuant to the Second Lien Security Agreement, the Second Lien Agreement is secured by substantially all of our and our wholly-owned subsidiaries' non-real estate assets (subject to exceptions for certain immaterial subsidiaries), including all of the stock of our wholly-owned subsidiaries that are corporations, equity interests in our wholly-owned subsidiaries that are not corporations, our equity interests in our joint ventures and our investments. Subject to the terms of the Intercreditor Agreement (as defined, below), if an event of default occurs under the Second Lien Agreement, the Second Lien Agent shall, upon the request of a specified percentage of the Second Lien Lenders, exercise remedies with respect to the collateral, including, in some instances, taking possession of or selling personal property assets, collecting accounts receivables, or exercising proxies to take control of the pledged stock and other equity interests.

The arranger of the Second Lien Agreement was KKR Capital Markets LLC (the "Arranger"). Nathaniel M. Zilkha, a member of our Board, is a member of KKR Management LLC, which is an affiliate of each of the Arranger and KKR Asset Management LLC ("KAM"), a substantial shareholder of our Company

Prior to engaging the Arranger, we conducted a competitive bidding process under which a number of qualified financial institutions submitted proposals to us concerning the terms under which they would agree to serve as arranger of the Second Lien Agreement. Our Board determined that the Arranger submitted the most attractive proposal and that it was in our best interest to retain the Arranger. Mr. Zilkha recused himself from this Board vote and did not participate in any Board deliberations concerning this engagement. The Arranger received a fee of $700,000 in connection with the closing of the Second Lien Agreement.

KAM has confirmed to us that Mr. Zilkha will not receive any direct compensation or direct financial benefit from the transactions relating to the Second Lien Agreement.

Intercreditor Agreement

In connection with the Second Lien Agreement, we, Amedisys Holding, L.L.C. and the Guarantors entered into an Intercreditor Agreement dated as of July 28, 2014 (the "Intercreditor Agreement") with, among others, JPMorgan Chase Bank, N.A., as Administrative Agent for the lenders under our existing senior secured Credit Agreement, and the Second Lien Agent. The Intercreditor Agreement provides, among other things, that the liens on the collateral securing the Second Lien Agreement and related obligations will be junior and subordinate in all respects to the liens on the collateral securing our senior secured Credit Agreement (as amended by the fourth amendment described below) and related obligations. It also contains various restrictions affecting the enforcement rights of the Second Lien Agent. Finally, the Intercreditor Agreement provides for purchase rights granting the Second Lien Lenders the option to buy out the lenders under our existing senior secured Credit Agreement at par (with all interest and other fees) upon the acceleration of the senior secured Credit Agreement obligations and other circumstances.

The foregoing description of the Intercreditor Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Intercreditor Agreement, which is filed as Exhibit 10.10 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Amendments to Existing Senior Secured Credit Agreement

On July 28, 2014, we entered into the Fourth Amendment to Credit Agreement dated as of July 28, 2014 (the "Fourth Amendment"), which amends our existing Credit Agreement dated as of October 26, 2012 (as previously amended by the First Amendment and Limited Waiver dated as of September 4, 2013, the Second Amendment dated as of November 11, 2013 and the Third Amendment dated as of April 17, 2014, the "Senior Secured Credit Agreement") by and among Amedisys, Inc., as Lead Borrower, Amedisys Holding, L.L.C., as Co-Borrower, the several banks and other financial institutions or entities from time to time parties thereto as lenders (the "Senior Lenders"), and JPMorgan Chase Bank, N.A., as Administrative Agent for the Senior Lenders.

The following description of the Fourth Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Fourth Amendment, which is filed as Exhibit 10.1.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

The Fourth Amendment revises the Senior Secured Credit Agreement to amend certain covenants, representations and other provisions in the Senior Secured Credit Agreement to, among other things, allow for our entry into the Second Lien Agreement and obligate us to enter into the Intercreditor Agreement. The Fourth Amendment also (i) decreases the aggregate principal amount of the revolving credit facility under the Senior Secured Credit Agreement from up to $165.0 million to up to $120.0 million, (ii) revises the exclusions and baskets associated with certain of the representations and covenants in the Senior Secured Credit Agreement, including those relating to the incurrence of liens, the incurrence of additional debt, sales of assets, acquisitions, and the prepayment of the Second Lien Agreement term loan and (iii) revises the exceptions and baskets associated with the two financial covenants that we are required to maintain under the Senior Secured Credit Agreement and adds a third financial covenant. The first financial covenant is a leverage ratio of our total indebtedness to earnings before interest, taxes, depreciation and amortization ("EBITDA"), both as defined in the Credit Agreement. The second financial covenant is a fixed charge coverage ratio of adjusted EBITDA plus rent expense ("EBITDAR") (less capital expenditures less cash taxes) to scheduled debt repayments plus interest expense plus rent expense, all as defined in the Senior Secured Credit Agreement. The third financial covenant is a leverage ratio of our indebtedness under the Senior Secured Credit Agreement to EBITDA. As amended by the Fourth Amendment, the maturity of the Senior Secured Credit Agreement has remained unchanged. The Fourth Amendment also adds purchase rights granting the Second Lien Lenders the option to buy out the Senior Lenders upon the acceleration of the senior secured obligations and other circumstances.

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ITEM 6. EXHIBITS

The exhibits marked with the cross symbol (†) are filed and the exhibits marked with a double cross (††) are furnished with this Form 10-Q. Any exhibits marked with the asterisk symbol (*) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
3.1	Composite of Certificate of Incorporation of the Company inclusive of all amendments through June 14, 2007	The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007	0-24260	3.1
3.2	Composite of By-Laws of the Company inclusive of all amendments through February 24, 2014	The Company's Annual Report on Form 10-K for the year ended December 31, 2013	0-24260	3.2
4.1	Common Stock Specimen	The Company's Registration Statement on Form S-3 filed August 20, 2007	333-145582	4.8
10.1.1	Third Amendment dated as of April 17, 2014 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners	The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014	0-24260	10.3
†10.1.2	Fourth Amendment dated as of July 28, 2014 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
10.2	Corporate Integrity Agreement effective April 22, 2014 between the Office of Inspector General of the Department of Health and Human Services and Amedisys, Inc. and Amedisys Holding, L.L.C.	The Company's Current Report on Form 8-K dated April 24, 2014	0-24260	10.2
10.3	Settlement Agreement effective April 23, 2014 by and among (a) 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, (b) Amedisys, Inc. and Amedisys Holding, L.L.C. and (c) the various Relators named therein	The Company's Current Report on Form 8-K dated April 24, 2014	0-24260	10.1

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†10.4*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Ronald A. LaBorde			
†10.5*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Michael O. Fleming			
†10.6*	Amendment No. 2 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Jeffrey D. Jeter			
†10.7*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and David R. Bucey			
†10.8	Second Lien Credit Agreement dated as of July 28, 2014 by and among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the banks and other financial institutions or entities from time to time parties thereto as lenders, and Cortland Capital Market Services LLC, as Administrative Agent			
†10.9	Second Lien Security and Pledge Agreement dated as of July 28, 2014 by and among Amedisys, Inc., Amedisys Holding, L.L.C, the guarantors party thereto and Cortland Capital Market Services LLC, not in its individual capacity, but solely as collateral agent for the secured parties			

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Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†10.10	Intercreditor Agreement dated as of July 28, 2014 by and among JPMorgan Chase Bank, N.A., as Administrative Agent for the first priority secured parties, Cortland Capital Market Services LLC, as Administrative Agent for the second priority secured parties, and the direct and indirect subsidiaries of Amedisys, Inc. and Amedisys Holding, L.L.C. from time to time party thereto			
†31.1	Certification of Ronald A. LaBorde, Interim Chief Executive Officer (principal executive officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†31.2	Certification of Dale E. Redman, Interim Chief Financial Officer (principal financial officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
††32.1	Certification of Ronald A. LaBorde, Interim Chief Executive Officer (principal executive officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
††32.2	Certification of Dale E. Redman, Interim Chief Financial Officer (principal financial officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
†101.INS	XBRL Instance			
†101.SCH	XBRL Taxonomy Extension Schema Document			
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
†101.DEF	XBRL Taxonomy Extension Definition Linkbase			
†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document			
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMEDISYS, INC.
(Registrant)

By: /s/ SCOTT G. GINN

Scott G. Ginn,
Principal Accounting Officer and
Duly Authorized Officer

Date: July 30, 2014

EXHIBIT INDEX

The exhibits marked with the cross symbol (†) are filed and the exhibits marked with a double cross (††) are furnished with this Form 10-Q. Any exhibits marked with the asterisk symbol (*) are management contracts or compensatory plans or arrangements filed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
3.1	Composite of Certificate of Incorporation of the Company inclusive of all amendments through June 14, 2007	The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007	0-24260	3.1
3.2	Composite of By-Laws of the Company inclusive of all amendments through February 24, 2014	The Company's Annual Report on Form 10-K for the year ended December 31, 2013	0-24260	3.2
4.1	Common Stock Specimen	The Company's Registration Statement on Form S-3 filed August 20, 2007	333-145582	4.8
10.1.1	Third Amendment dated as of April 17, 2014 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners	The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2014	0-24260	10.3
†10.1.2	Fourth Amendment dated as of July 28, 2014 to the Credit Agreement dated October 26, 2012 among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the several banks and other financial institutions party thereto from time to time, BOKF, NA DBA Bank of Texas, Compass Bank, Fifth Third Bank and RBS Citizens, N.A., as Documentation Agents, Bank of America, N.A., as Syndication Agent, JPMorgan Chase Bank, N.A., as Administrative Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Co-Lead Arrangers and Joint Bookrunners			
10.2	Corporate Integrity Agreement effective April 22, 2014 between the Office of Inspector General of the Department of Health and Human Services and Amedisys, Inc. and Amedisys Holding, L.L.C.	The Company's Current Report on Form 8-K dated April 24, 2014	0-24260	10.2
10.3	Settlement Agreement effective April 23, 2014 by and among (a) 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, (b) Amedisys, Inc. and Amedisys Holding, L.L.C. and (c) the various Relators named therein	The Company's Current Report on Form 8-K dated April 24, 2014	0-24260	10.1

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Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
†10.4*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Ronald A. LaBorde			
†10.5*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Michael O. Fleming			
†10.6*	Amendment No. 2 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and Jeffrey D. Jeter			
†10.7*	Amendment No. 3 dated May 1, 2014 to Employment Agreement dated November 1, 2011 by and among Amedisys, Inc., Amedisys Holding, L.L.C. and David R. Bucey			
†10.8	Second Lien Credit Agreement dated as of July 28, 2014 by and among Amedisys, Inc. and Amedisys Holding, L.L.C., as co-borrowers, the banks and other financial institutions or entities from time to time parties thereto as lenders, and Cortland Capital Market Services LLC, as Administrative Agent			
†10.9	Second Lien Security and Pledge Agreement dated as of July 28, 2014 by and among Amedisys, Inc., Amedisys Holding, L.L.C, the guarantors party thereto and Cortland Capital Market Services LLC, not in its individual capacity, but solely as collateral agent for the secured parties			
†10.10	Intercreditor Agreement dated as of July 28, 2014 by and among JPMorgan Chase Bank, N.A., as Administrative Agent for the first priority secured parties, Cortland Capital Market Services LLC, as Administrative Agent for the second priority secured parties, and the direct and indirect subsidiaries of Amedisys, Inc. and Amedisys Holding, L.L.C. from time to time party thereto			
†31.1	Certification of Ronald A. LaBorde, Interim Chief Executive Officer (principal executive officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
†31.2	Certification of Dale E. Redman, Interim Chief Financial Officer (principal financial officer), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
††32.1	Certification of Ronald A. LaBorde, Interim Chief Executive Officer (principal executive officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			

Exhibit Number	Document Description	Report or Registration Statement	SEC File or Registration Number	Exhibit or Other Reference
††32.2	Certification of Dale E. Redman, Interim Chief Financial Officer (principal financial officer), pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
†101.INS	XBRL Instance			
†101.SCH	XBRL Taxonomy Extension Schema Document			
†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
†101.DEF	XBRL Taxonomy Extension Definition Linkbase			
†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document			
†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			

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Section 2: EX-10.1.2 (EX-10.1.2)

Exhibit 10.1.2

EXECUTION VERSION

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Agreement") dated as of July 28, 2014 (the "Effective Date"), is entered into by and among **AMEDISYS HOLDING, L.L.C.**, a Louisiana limited liability company (the "Co-Borrower"), **AMEDISYS, INC.**, a Delaware corporation (the "Lead Borrower", together with the Co-Borrower, the "Borrowers"), each of the Subsidiaries of the Borrowers listed on the signature pages hereof (the "Guarantors"), each of the Lenders (as such term is hereafter defined) party hereto and **JPMORGAN CHASE BANK, N.A.**, as Administrative Agent for the Lenders (the "Administrative Agent").

PRELIMINARY STATEMENT

WHEREAS, the Borrowers, the lenders party thereto (the "Lenders") and the Administrative Agent entered into that certain Credit Agreement dated as of October 26, 2012 (as amended by that certain First Amendment to Credit Agreement and Limited Waiver dated as of September 4, 2013, that certain Second Amendment to Credit Agreement dated as of November 11, 2013, that certain Third Amendment to Credit Agreement dated as of April 17, 2014 and as further amended from time to time, the "Credit Agreement"; capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement); and

WHEREAS, the Borrowers, the Lenders party hereto and the Administrative Agent desire to amend the Credit Agreement as hereinafter provided;

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendment to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended as follows:

(a) The following new definition of "Buyout Proceeding" is hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Buyout Proceeding**": means (a) any case commenced by or against a Borrower or any other Loan Party under the Bankruptcy Code or any other bankruptcy law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of a Borrower or any other Loan Party, any receivership or assignment for the benefit of creditors relating to a Borrower or any other Loan Party or any similar case or proceeding relative to a Borrower or any other Loan Party or its creditors, as such, in each case

whether or not voluntary, provided in the case of any involuntary proceeding commenced against a Borrower or any other Loan Party, such proceeding remains undismissed for a period of 60 days, (b) any liquidation, dissolution, marshalling of assets or liabilities or other winding up

of or relating to a Borrower or any other Loan Party, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency, other than such liquidations and dissolutions of Loan Parties as may be permitted by this Agreement or (c) any other proceeding of any type or nature in which substantially all claims of creditors of any Borrower or any other Loan Party are determined and any payment or distribution is or may be made on account of such claims.

(b) The definition of "Consolidated Adjusted EBITDA" is hereby amended to restate the second sentence thereof in its entirety as follows:

"Consolidated Adjusted EBITDA shall be adjusted to add back to Consolidated Net Income, to the extent deducted therefrom, (a) any one-time expenses relating to restructuring (not to exceed $10,000,000 in the aggregate during any trailing four-Fiscal Quarter period) and discontinued operations and any payments in respect of either of the foregoing, in each case, that are approved by the Administrative Agent, which approval shall not be unreasonably withheld or delayed and (b) reserves set aside in anticipation of the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Administrative Agent in writing by the Borrowers prior to the Second Amendment Effective Date, together with associated fees and expenses, in a maximum aggregate amount not to exceed $175,000,000."

(c) The following new definitions of "Corporate Headquarters", "Effective Yield" and "First Lien Leverage Ratio" are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Corporate Headquarters**": that parcel of real property located at 5959 South Sherwood Boulevard, Baton Rouge, Louisiana, together with all improvements now or hereafter constructed thereon comprising the principal executive offices of the Lead Borrower and its Subsidiaries.

"**Effective Yield**": as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Borrower and, except as otherwise set forth in this definition, consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below) or similar devices and all fees, including (a) upfront or similar fees or original issue discount (amortized over the shorter of (i) the remaining weighted average life to

maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof) payable generally to the applicable lenders providing such Indebtedness and (b) the payment of fees in consideration for any amendment, consent, waiver or forbearance (to the extent not in excess of generally prevailing market rates at such time for transactions under similar circumstances) (amortized over the shorter of (i) the remaining weighted average life to maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof), but excluding any arrangement, structuring, ticking or other similar fees payable in connection therewith that are not generally shared with the relevant lenders; provided that with respect to any Indebtedness that includes a "LIBOR floor" or "base rate floor," (x) to the extent that the LIBOR rate or base rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for such Indebtedness for the purpose of calculating the Effective Yield and (y) to the extent that the LIBOR rate or base rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield.

"**First Lien Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, minus (iii) the outstanding Second Lien Debt as of the such day, minus (iv) unsecured Indebtedness as of such day, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

(d) The definition of "Fixed Charge Coverage Ratio" is hereby amended to delete the phrase "(not to exceed $30,000,000)" from clause (i) thereof.

(e) The following new definition of "Fourth Amendment Effective Date" is hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Fourth Amendment Effective Date**": July 28, 2014.

(f) The definition of "Indebtedness" is hereby amended to add the following new sentence to the end of said definition:

"Notwithstanding the foregoing, "**Indebtedness**" shall specifically exclude guaranties and indemnities provided by the Borrowers or any of their respective Subsidiaries in connection with Asset Sales permitted hereunder to the extent that the liability of the Borrowers or any of their respective Subsidiaries under any such guaranty or indemnification is expressly limited to an amount that does not exceed the consideration received for such Asset Sale multiplied by two; provided, however, that any such guaranty or indemnification provided as to matters of fraud, intentional misrepresentation or similar misconduct shall be excluded from the term "**Indebtedness**" regardless of whether there is any such limitation on the amount."

(g) The following new definitions of "Intercreditor Agreement" and "Permitted Refinancing" are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Intercreditor Agreement**": that certain Intercreditor Agreement dated as of the Fourth Amendment Effective Date, among the Administrative Agent, the Second Lien Agent and the Borrowers.

"**Permitted Refinancing**": with respect to any Indebtedness, any refinancing, refunding, renewal or replacement of such Indebtedness; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so refinanced, refunded, renewed or replaced; (b) the Effective Yield thereof is not greater than 3.00% per annum above the Effective Yield of the Indebtedness so refinanced, refunded, renewed or replaced that is in effect on the Fourth Amendment Effective Date, excluding the imposition of a default rate of up to 2.00% per annum; (c) such refinancing, refunding, renewal or replacement has a final maturity date equal to or later than the final maturity date of, and has a weighted average life to maturity equal to or greater than the weighted average life to maturity of, the Indebtedness so refinanced, refunded, renewed or replaced; (d) such refinancing, refunding, renewal or replacement is subject to the terms and provisions of the Intercreditor Agreement; (e) other than as set forth above in **clause (b)**, the terms and conditions of any such refinanced, refunded, renewed or replaced Indebtedness are not more restrictive on the Loan Parties in any material respect than those set forth in the Agreement and the other Loan Documents and not materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness so refinanced, refunded, renewed or replaced; (f) such refinancing, refunding, renewal or replacement is incurred by Persons who are the obligors under the Indebtedness so refinanced, refunded, renewed or replaced; and (g) at the time thereof, no Default or Event of Default shall have occurred and be continuing.

(h) The definition of "Revolving Commitment" is hereby amended to restate the last sentence thereof in its entirety as follows:

"The amount of the Total Revolving Commitments as of the Fourth Amendment Effective Date is $120,000,000."

(i) The following new definitions of "Second Lien Agent", "Second Lien Credit Agreement", "Second Lien Debt", "Second Lien Loan Documents" and "Secured Leverage Ratio" are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order:

"**Second Lien Agent**": Cortland Capital Market Services LLC, in its capacity as administrative agent for the Second Lien Debt.

"**Second Lien Credit Agreement**": that certain Credit Agreement dated as of the Fourth Amendment Effective Date, among the Borrowers, the lenders party thereto and the Second Lien Agent and any analogous agreement governing any Permitted Refinancing.

"**Second Lien Debt**": the Indebtedness and other obligations of the Borrowers and their Subsidiaries evidenced by the Second Lien Loan Documents (including any Permitted Refinancing).

"**Second Lien Loan Documents**": the "Loan Documents", as such term is defined in the Second Lien Credit Agreement.

"**Secured Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, minus (iii) unsecured Indebtedness as of such day, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

2. Amendment to Section 1.3. Section 1.3 of the Credit Agreement is hereby amended to restate the second sentence thereof in its entirety as follows:

"For purposes of determining compliance with any provision of this Agreement, the determination of whether a lease is to be treated as an operating lease or capital lease shall be made without giving effect to any change in accounting for leases pursuant to GAAP resulting from the implementation of proposed Accounting Standards Update (ASU) Leases (Topic 842) issued May 16, 2013, or any successor proposal."

3. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is hereby amended to restate clauses (a) and (b) thereof in their entirety as follows:

"(a) as soon as available, but in any event within 90 days after the end of each Fiscal Year, a copy of the audited consolidated balance sheet of the Lead Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by a Nationally Recognized Accounting Firm; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the unaudited consolidated balance sheet of the Lead Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the Fiscal Year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments)."

4. Amendment to Section 6.10. Section 6.10 of the Credit Agreement is hereby amended to restate clause (ii) of the first sentence thereof in its entirety as follows:

"(ii) any other Subsidiary that is a guarantor of the Second Lien Debt."

5. Amendment to Section 7.1. Section 7.1 of the Credit Agreement is hereby amended to restate paragraph (a) in its entirety as follows:

"(a) **Total Leverage Ratio; First Lien Leverage Ratio**.

(i) The Borrowers and their Subsidiaries will not permit the Total Leverage Ratio as of the last day of any Fiscal Quarter to be greater than (A) 3.75 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (B) 3.50 to 1.0 for the Fiscal Quarter ending December 31, 2014 and for the Fiscal Quarter ending March 31, 2015, (C) 3.25 to 1.0 for the Fiscal Quarter ending June 30, 2015 and for the Fiscal Quarter ending September 30, 2015 and (D) 3.00 to 1.0 for each Fiscal Quarter ending thereafter.

(ii) The Borrowers and their Subsidiaries will not permit the First Lien Leverage Ratio as of the last day of any Fiscal Quarter to be greater than (A) 2.50 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (B) 2.25 to 1.0 for the Fiscal Quarter ending December 31, 2014 and for the Fiscal Quarter ending March 31, 2015 and (C) 2.00 to 1.0 for each Fiscal Quarter ending thereafter.

(iii) With respect to any rolling four quarter period during which a Material Asset Sale, a Material Acquisition or, in the Lead Borrower's discretion, any other Permitted Acquisition has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with the Total Leverage Ratio and the First Lien Leverage Ratio, Consolidated Adjusted EBITDA shall be calculated on a pro forma basis (without duplication) giving effect to such Subject Transaction as if it had been consummated or incurred or repaid at the beginning of the relevant four quarter period. The determination of such pro forma Consolidated Adjusted EBITDA shall be further modified pursuant to **Section 7.1(c)(i)**."

6. Amendment to Section 7.2.

(a) Section 7.2 of the Credit Agreement is hereby amended to restate subsections (g), (i) and (p) in their entirety as follows and add the following new subsection (q) in proper alphabetical order:

"(g) Indebtedness arising from a sale and leaseback of all or a portion of the Corporate Headquarters;

(i) (i) Indebtedness of a Person that becomes a Subsidiary or Indebtedness incurred to finance assets of a Person that are acquired by the Borrowers or any of their Subsidiaries, in either case, as the result of a Permitted Acquisition in an aggregate amount not to exceed at any time $20,000,000; provided that (x) such Indebtedness existed at the time such Person became a Subsidiary or at the time such assets were acquired by the Borrowers or any of their Subsidiaries and, in each case, was not created in anticipation thereof and (y) such Indebtedness is not guaranteed in any respect by the Borrowers or any of their Subsidiaries (other than by any such Person that so becomes a Subsidiary), and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in **Section 7.2(f)** or **subclause (i)** of this **Section 7.2(i)**; provided, that (1) the principal amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension, (2) the direct and contingent obligors with respect to such Indebtedness are not changed and (3) such Indebtedness shall not be secured by any assets other than the assets securing the Indebtedness being renewed, extended or refinanced;

(p) the Second Lien Debt (including guarantees thereof), it being agreed the principal amount of "Loans" (as defined in the Second Lien Credit Agreement) shall not exceed $80,000,000 at any time outstanding; and

(q) unsecured Indebtedness of the Borrowers or any of their Subsidiaries owed to sellers in connection with Permitted Acquisitions in an aggregate principal amount not to exceed $20,000,000 at any time; provided that no such Indebtedness shall require the Borrowers or any of their Subsidiaries to comply with any financial covenants."

(b) Section 7.2 of the Credit Agreement is hereby further amended to add the following new sentence at the end of said Section:

"Notwithstanding anything in this **Section 7.2** to the contrary, Subsidiaries that are non-Guarantors may not incur Indebtedness for borrowed money under this **Section 7.2** (other than pursuant to **clause (o)** above) in an aggregate amount outstanding at any time in excess of $5,000,000."

7. Amendment to Section 7.3.

(a) Section 7.3 of the Credit Agreement is hereby amended to restate subsection (o) in its entirety as follows:

"(o) Liens securing the Second Lien Debt as permitted by the Intercreditor Agreement."

(b) Section 7.3 of the Credit Agreement is hereby further amended to add the following new sentence at the end of said Section:

"Notwithstanding anything in this **Section 7.3** to the contrary, no Indebtedness for borrowed money shall be permitted to be secured under this **Section 7.3** if after giving pro forma effect thereto the Secured Leverage Ratio exceeds 3.75 to 1.00."

8. Amendment to Section 7.4. Section 7.4 of the Credit Agreement is hereby amended to restate subsections (c) and (e) thereof in their entirety as follows, delete the word "and" at the end of subsection (h) thereof, delete the period at the end of subsection (i) thereof and insert a semicolon and the word "and" and add the following new subsection (j) in proper alphabetical order:

"(c) (i) Asset Sales pending as of the Fourth Amendment Effective Date and described on **Schedule 7.4** and (ii) other Asset Sales not permitted by any other clause of this **Section 7.4** made after the Fourth Amendment Effective Date, the proceeds of which (valued at the principal amount thereof in the case of non-cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-cash proceeds) when aggregated with the proceeds of all other Asset Sales made pursuant to this **clause (ii)** after the Fourth Amendment Effective Date and prior to the date of determination, are less than $30,000,000; provided, in the case of Asset Sales made pursuant to this **clause (ii)**, (A) the consideration received for such assets shall be in an amount at least equal to the fair market value thereof (if the value is greater than $5,000,000, as determined in good faith by the Board of Directors of the Lead Borrower) and (B) no less than 70% of such consideration shall be paid in cash or in Cash Equivalents;

(e) (i) Permitted Acquisitions, the consideration for which may be in any amount, so long as at the time of such Permitted Acquisition and after giving pro forma effect thereto (including any Indebtedness incurred in connection therewith), (A) the Total Leverage Ratio is less than 2.75 to 1.0 and (B) no Default or Event of Default shall have occurred and be continuing and (ii) Permitted Acquisitions for an aggregate consideration of up to $20,000,000 in any Fiscal Year if, at the time of such Permitted Acquisition and after giving pro forma effect thereto (including any Indebtedness incurred in connection therewith), (A) the Total Leverage Ratio is equal to or greater than 2.75 to 1.0 and (B) no Default or Event of Default shall have occurred and be continuing;

(j) the sale and leaseback of the Corporate Headquarters in accordance with **Section 7.9**."

9. Amendment to Section 7.5. Section 7.5 of the Credit Agreement is hereby amended to add the following new phrase immediately after the phrase "Loan Document":

", in the Second Lien Loan Documents".

10. Amendment to Section 7.6. Section 7.6 of the Credit Agreement is hereby amended to restate subsection (a) thereof in its entirety as follows:

"(a) the Lead Borrower may make Restricted Payments in an aggregate amount during the term hereof not to exceed at the time of such Restricted Payment, (i) 50% of Consolidated Net Income for each Fiscal Quarter ending on or after March 31, 2014, to the extent positive, minus (ii) 100% of Consolidated Net Income for

each Fiscal Quarter ending on or after March 31, 2014, to the extent negative, minus (iii) the aggregate amount of voluntary and mandatory prepayments made in respect of the Second Lien Debt during the term hereof; provided, immediately prior to, and after giving pro forma effect to such Restricted Payment, (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (B) the Total Leverage Ratio is less than 2.50 to 1.0 and (C) Liquidity is greater than or equal to $50,000,000; and".

11. Amendment to Section 7.9. Section 7.9 of the Credit Agreement is hereby amended to add the following new sentence at the end of said Section:

"Notwithstanding the foregoing, the Borrowers may enter into a sale and leaseback of the Corporate Headquarters so long as (i) 100% of the consideration for such sale shall be paid in cash or Cash Equivalents and (ii) the Net Cash Proceeds therefrom are applied in accordance with **Section 2.11**."

12. Amendment to Section 7.12. Section 7.12 of the Credit Agreement is hereby amended to restate clause (c) thereof in its entirety as follows:

"(c) the Second Lien Loan Documents,".

13. Amendment to Section 7.16. Section 7.16 of the Credit Agreement is hereby restated in its entirety as follows:

"**7.16 Covenants Regarding Second Lien Debt**.

(a) The Borrowers shall not amend or modify the Second Lien Credit Agreement or any of the other Second Lien Loan Documents in any manner that would have the effect of (i) increasing the principal amount of the Second Lien Debt, (ii) increasing the Effective Yield of the Second Lien Debt to an amount greater than 3.00% per annum above the Effective Yield that is in effect on the Fourth Amendment Effective Date, excluding the imposition of a default rate of up to 2.00% per annum, (iii) amending the amortization provisions thereof (if any), (iv) shortening the cure periods or times for performance contained therein, (v) shortening the maturity date of the Second Lien Debt or the scheduled payment date for any payment thereunder or time for performance of any material obligation or condition, (vi) adding events of defaults, (vii) adding any Loan Party other than the Borrowers as a borrower under the Second Lien Debt unless such Loan Party also becomes a "Borrower" hereunder or (viii) causing the covenants or events of default set forth in the Second Lien Loan Documents (where analogous covenants and

events of default exist) to be more restrictive on the Loan Parties unless the analogous covenants or events of default under the Loan Documents are modified to be more restrictive in a proportionate manner so that the "cushion" between the applicable covenants and events of default in the Second Lien Loan Documents and the Loan Documents remains the same.

(b) The Borrowers shall not repay or prepay any amounts owing in respect of the Second Lien Debt except (i) regularly scheduled payments of interest as set forth in the Second Lien Loan Documents as in effect on the Fourth Amendment Effective Date, (ii) mandatory prepayments as set forth in the Second Lien Loan Documents as in effect on the Fourth Amendment Effective Date and (iii) voluntary prepayments so long as, after giving effect to such prepayment and any prepayment penalty required in connection therewith, (A) the pro forma Total Leverage Ratio is less than 2.00 to 1.0, (B) pro forma Liquidity is greater than $75,000,000 and (C) the amount of such voluntary prepayment is less than or equal to the amount of Restricted Payments permitted to be made by Parent at such time as set forth in **Section 7.6(a)**.

(c) Neither the Borrowers nor any other Loan Party shall grant a Lien in favor of the Second Lien Agent or otherwise securing the Second Lien Debt on any of its assets if those same assets are not subject to, and do not become subject to, a Lien securing the Obligations."

14. Amendment to Article 8. Article 8 of the Credit Agreement is hereby amended as follows:

(a) Clause (ii) of subsection (i) is hereby restated in its entirety as follows:

"(ii) this Agreement or the Intercreditor Agreement ceases to be in full force and effect (other than the satisfaction in full of the Obligations (or the Second Lien Debt, as applicable) in accordance with the terms hereof) or shall be declared null and void,".

(b) Subsection (l) is hereby restated in its entirety as follows:

"(l) an "Event of Default" as defined in the Second Lien Credit Agreement shall occur; or".

15. Amendment to Section 10.6. Section 10.6 of the Credit Agreement is hereby amended to restate clause (D) of subsection (b)(ii) thereof in its entirety as follows:

"(D) no assignment shall be made to (1) a natural Person, (2) the Lead Borrower or any of its Affiliates or Subsidiaries, (3) any Defaulting Lender or any of its Subsidiaries, or any Person who,

upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (3) or (4) the Second Lien Agent or any Person that is a lender under the Second Lien Credit Agreement or any of their respective Affiliates, except, in the case of this clause (4), in accordance with the provisions set forth in **Section 10.20**."

16. Amendment to Article 10. Article 10 of the Credit Agreement is hereby amended to add the following new Sections 10.19 and 10.20 at the end of said Article:

"**10.19 Intercreditor Agreement**. Each Lender hereby (a) acknowledges that it has received a copy of the Intercreditor Agreement, (b) agrees that it will be bound by and will take no action contrary to the provisions of the Intercreditor Agreement to the extent then in effect and (c) authorizes and instructs the Administrative Agent to enter into the Intercreditor Agreement (including any modifications thereof necessary to permit any Permitted Refinancing) on behalf of and without any further action by such Lender.

10.20 Purchase Right of Second Lien Secured Parties. Without prejudice to the enforcement of the Secured Parties' (as defined in the Security and Pledge Agreement) remedies hereunder and under the other Loan Documents, each Lender, on behalf of itself and its Affiliates that are Secured Parties, agrees that following (a) the acceleration of the Obligations in accordance with the terms of the Loan Documents or (b) the commencement of a Buyout Proceeding (each, a "**Purchase Event**"), within thirty (30) days of the Purchase Event, one or more of the Second Priority Secured Parties (as defined in the Intercreditor Agreement) may request, and the Secured Parties shall offer the Second Priority Secured Parties the option, to purchase all, but not less than all, of the aggregate amount of Obligations outstanding at the time of purchase at par, without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to the Assignment and Assumption); provided that the following conditions are satisfied:

(i) each Secured Party shall receive payment of an amount equal to the outstanding principal amount of its loans and participations in L/C Disbursements and Swingline Loans (including, in the case of the Swingline Lender, the outstanding principal amount of its Swingline Loans), accrued interest thereon, accrued fees and all other amounts payable to it under the Loan Documents, together with all other Obligations owed to it, including, without limitation, such Obligations owed in respect of Specified Cash Management Agreements, but excluding, at such Secured Party's option, Obligations owed in respect of Specified Swap Agreements, which may remain outstanding and secured in accordance with the terms of the Loan Documents;

(ii) the Second Priority Secured Parties shall have appointed a successor agent that shall, effective as of the purchase of the Obligations, succeed to the rights, powers and duties of the Administrative Agent, in its capacity as administrative agent under the Loan Documents and in its capacity as "First Priority Representative" under the Intercreditor Agreement, and the former Administrative Agent's rights, powers and duties as administrative agent under Loan Documents and as First Priority Representative under the Intercreditor Agreement shall be terminated (other than such rights that continue to inure to its benefit as expressly provided in the Loan Documents), and the Administrative Agent shall have no further obligations under the Loan Documents or under the Intercreditor Agreement, in each case, without any other or further act or deed on the part of such former Administrative Agent or any other Person; and

(iii) the Issuing Lender shall have received an amount of Cash Collateral equal to 105% of the L/C Obligations of any Letters of Credit outstanding hereunder at such time, to be held as security for payment of the Borrowers' obligations to reimburse the Issuing Lender for amounts drawn on such Letters of Credit.

If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event within ten (10) Business Days of the request. If one or more of the Second Priority Secured Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the Administrative Agent and the Second Lien Agent, subject to any consent rights of the Borrowers under this Agreement. Such documentation shall include a release in favor of the Secured Parties from the Second Priority Secured Parties of any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, arising directly or indirectly out of the Loan Documents, or any other documents, instruments or any other transactions relating thereto, except those based on any representations and warranties expressly set forth in the Assignment and Assumption. If none of the Second Priority Secured Parties timely exercise such right, the Secured Parties shall have no further obligations pursuant to this **Section 10.20** for such Purchase Event and may take any further actions in their sole discretion in accordance with the Loan Documents and the Intercreditor Agreement."

17. Amendment to Credit Agreement. Schedules 1.1 and 7.4 of the Credit Agreement are hereby deleted in their entirety and replaced with Schedules 1.1 and 7.4 in the forms attached hereto.

18. Amendment to Exhibit B. Exhibit B of the Credit Agreement is hereby deleted in its entirety and replaced with Exhibit B in the form attached hereto.

19. Conditions Precedent. The effectiveness of this Agreement is subject to the satisfaction of the following conditions precedent:

(a) the Administrative Agent shall have received counterparts of this Agreement, duly executed by the Borrowers, each Guarantor and the Required Lenders;

(b) the Administrative Agent shall have received all fees required to be paid to it and to the Lenders, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Effective Date;

(c) the Administrative Agent shall have received true and correct copies of the documents evidencing the second lien term loan facility to the Borrower (such facility, the "Second Lien Facility", and such documents, the "Second Lien Loan Documents"), which documents shall be executed by all parties thereto and be in form and substance satisfactory to the Administrative Agent;

(d) the Administrative Agent, the Borrowers and the agent for the Second Lien Facility shall have entered into an intercreditor agreement in form and substance satisfactory to the Administrative Agent;

(e) the closing of the Second Lien Facility shall take place on the Effective Date;

(f) the Borrower shall prepay, on the Effective Date and in accordance with the provisions of Section 2.10 of the Credit Agreement, Revolving Loans in an amount equal to 100% of the net proceeds of the Second Lien Facility, which amount shall not be less than $65,000,000;

(g) the Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, authorization of the transactions contemplated hereby, the authority of any natural Person executing any of the Loan Documents on behalf of any Loan Party and any other legal matters relating to the Loan Parties, this Agreement or the transactions contemplated hereby, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel and to include, without limitation, copies of good standing and existence certificates for the Loan Parties as may be delivered as a condition to the closing of the Second Lien Facility; and

(h) the Administrative Agent shall have received the executed legal opinions of (i) King & Spalding, Delaware and New York counsel to the Borrowers and their Subsidiaries, (ii) Kantrow Spaht Weaver & Blitzer (APLC), Louisiana counsel to the Borrowers and their Subsidiaries and (iii) in-house counsel to the Borrowers and their Subsidiaries, which opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

20. Ratification. Each of the Borrowers and Guarantors hereby ratifies all of its obligations under the Credit Agreement and each of the Loan Documents to which it is a party, and agrees and acknowledges that the Credit Agreement and each of the Loan Documents to which it is a party are and shall continue to be in full force and effect as amended and modified by this Agreement. Nothing in this Agreement extinguishes, novates or releases any right, claim or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is any Borrower or any Guarantor released from any covenant, warranty or obligation created by or contained herein or therein.

21. Representations and Warranties. Each of the Borrowers and Guarantors hereby represents and warrants to the Administrative Agent and the Lenders that (a) this Agreement has been duly executed and delivered on behalf of the Borrowers and each of the Guarantors, (b) this Agreement constitutes a valid and legally binding agreement enforceable against each of the Borrowers and Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, (c) the representations and warranties made by it in the Credit Agreement and the Loan Documents to which it is a party are true and correct on and as of the date hereof in all material respects as though made as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date in which case they are true and correct as of such earlier date, (d) after giving effect to this Agreement, no Default or Event of Default exists under the Credit Agreement or under any Loan Document; (e) the Persons appearing as Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Guarantors pursuant to the terms of the Credit Agreement and each such Person has executed and delivered a Guaranty Agreement; and (f) the execution, delivery and performance of this Agreement has been duly authorized by each of the Borrowers and Guarantors.

22. Release and Indemnity.

(a) Each of the Borrowers and Guarantors hereby releases and forever discharges the Administrative Agent and each of the Lenders and each Affiliate thereof and each of their respective employees, officers, directors, trustees, agents, attorneys, successors, assigns or other representatives from any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, whether based on law or equity, which any of said parties has held or may now own or hold, whether known or unknown, for or because of any matter or thing done, omitted or suffered to be done on or before the actual date upon which this Agreement is signed by any of such parties (i) arising directly or indirectly out of the Loan Documents, or any other documents, instruments or any other transactions relating thereto and/or (ii) relating directly or indirectly to all transactions by and between the Borrowers, the Guarantors, or their representatives and the Administrative Agent, and

each Lender or any of their respective directors, officers, agents, employees, attorneys or other representatives. Such release, waiver, acquittal and discharge shall and does include, without limitation, any claims of usury, fraud, duress, misrepresentation, lender liability, control, exercise of remedies and all similar items and claims, which may, or could be, asserted by any Borrower or any Guarantor **including any such caused by the actions or negligence of the indemnified party (other than its gross negligence or willful misconduct)**.

(b) Each of the Borrowers and Guarantors hereby ratifies the indemnification provisions contained in the Loan Documents, including, without limitation, Section 10.5(b) of the Credit Agreement, and agrees that this Agreement, any other documents executed in connection herewith and losses, claims, damages and expenses related hereto and thereto shall be covered by such indemnities.

23. Counterparts. This Agreement may be signed in any number of counterparts, which may be delivered in original, facsimile or electronic form each of which shall be construed as an original, but all of which together shall constitute one and the same instrument.

24. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

25. Integration. This Agreement and the other Loan Documents represent the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

26. Agreement is a Loan Document. This Agreement is a Loan Document as defined in the Credit Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

LEAD BORROWER:

AMEDISYS, INC., a Delaware corporation

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President and
Interim Chief Executive Officer

CO-BORROWER:

AMEDISYS HOLDING, L.L.C., a Louisiana limited liability company

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President

GUARANTORS:

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
a Florida corporation;
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
an Alabama corporation;
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
a South Carolina corporation;
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
a Virginia corporation;
HMR ACQUISITION, INC.,
a Delaware corporation;
ACCUMED GENPAR, L.L.C.,
a Texas limited liability company;
ACCUMED HOLDING, L.L.C.,
a Delaware limited liability company;
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
a Georgia limited liability company;
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.,
a Texas limited liability company;
ADVENTA HOSPICE, L.L.C.,
a Florida limited liability company;
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
a Delaware limited liability company;
AMEDISYS AIR, L.L.C.,
a Louisiana limited liability company;
AMEDISYS ALABAMA, L.L.C.,
an Alabama limited liability company;
AMEDISYS ALASKA, LLC,
an Alaska limited liability company;
AMEDISYS ARIZONA, L.L.C.,
an Arizona limited liability company;
AMEDISYS ARKANSAS, LLC,
an Arkansas limited liability company;
AMEDISYS BA, LLC,
a Delaware limited liability company;
AMEDISYS CALIFORNIA, L.L.C.,
a California limited liability company;

AMEDISYS COLORADO, L.L.C.,
a Colorado limited liability company;
AMEDISYS CONNECTICUT, L.L.C.,
a Connecticut limited liability company;
AMEDISYS DELAWARE, L.L.C.,
a Delaware limited liability company;
AMEDISYS FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS GEORGIA, L.L.C.,
a Georgia limited liability company;
AMEDISYS HOSPICE, L.L.C.,
a Louisiana limited liability company;
AMEDISYS IDAHO, L.L.C.,
an Idaho limited liability company;
AMEDISYS ILLINOIS, L.L.C.,
an Illinois limited liability company;
AMEDISYS INDIANA, L.L.C.,
an Indiana limited liability company;
AMEDISYS IOWA, L.L.C.,
an Iowa limited liability company;
AMEDISYS KANSAS, L.L.C.,
a Kansas limited liability company;
AMEDISYS LA ACQUISITIONS, L.L.C.,
a Louisiana limited liability company;
AMEDISYS LOUISIANA, L.L.C.,
a Louisiana limited liability company;
AMEDISYS MAINE, P.L.L.C.,
a Maine professional limited liability company;
AMEDISYS MARYLAND, L.L.C.,
a Maryland limited liability company;
AMEDISYS MASSACHUSETTS, L.L.C.,
a Massachusetts limited liability company;
AMEDISYS MICHIGAN, L.L.C.,
a Michigan limited liability company;
AMEDISYS MINNESOTA, L.L.C.,
a Minnesota limited liability company;
AMEDISYS MISSISSIPPI, L.L.C.,
a Mississippi limited liability company;
AMEDISYS MISSOURI, L.L.C.,
a Missouri limited liability company;
AMEDISYS NEBRASKA, L.L.C.,
a Nebraska limited liability company;
AMEDISYS NEVADA, L.L.C.,
a Nevada limited liability company;

AMEDISYS NEW HAMPSHIRE, L.L.C.,
a New Hampshire limited liability company;
AMEDISYS NEW JERSEY, L.L.C.,
a New Jersey limited liability company;
AMEDISYS NEW MEXICO, L.L.C.,
a New Mexico limited liability company;
AMEDISYS NORTH CAROLINA, L.L.C.,
a North Carolina limited liability company;
AMEDISYS NORTH DAKOTA, L.L.C.,
a North Dakota limited liability company;
AMEDISYS NORTHWEST, L.L.C.,
a Georgia limited liability company;
AMEDISYS OHIO, L.L.C.,
an Ohio limited liability company;
AMEDISYS OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS OREGON, L.L.C.,
an Oregon limited liability company;
AMEDISYS PENNSYLVANIA, L.L.C.,
a Pennsylvania limited liability company;
AMEDISYS PROPERTY, L.L.C.,
a Louisiana limited liability company;
AMEDISYS PUERTO RICO, L.L.C.,
a Puerto Rican limited liability company;
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS RHODE ISLAND, L.L.C.,
a Rhode Island limited liability company;
AMEDISYS SC, L.L.C.,
a South Carolina limited liability company;
AMEDISYS SOUTH DAKOTA, L.L.C.,
a South Dakota limited liability company;
AMEDISYS SOUTH FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
a Louisiana limited liability company;
AMEDISYS SP-IN, L.L.C.,
an Indiana limited liability company;
AMEDISYS SP-KY, L.L.C.,
a Kentucky limited liability company;
AMEDISYS SP-OH, L.L.C.,
an Ohio limited liability company;

AMEDISYS SP-TN, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TENNESSEE, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TEXAS, L.L.C.,
a Texas limited liability company;
AMEDISYS TLC, ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS UTAH, L.L.C.,
a Utah limited liability company;
AMEDISYS VENTURES, L.L.C.,
a Delaware limited liability company;
AMEDISYS VIRGINIA, L.L.C.,
a Virginia limited liability company;
AMEDISYS WASHINGTON, L.L.C.,
a Washington limited liability company;
AMEDISYS WESTERN, L.L.C.,
a Delaware limited liability company;
AMEDISYS WEST VIRGINIA, L.L.C.,
a West Virginia limited liability company;
AMEDISYS WISCONSIN, L.L.C.,
a Wisconsin limited liability company;
ANMC VENTURES, L.L.C.,
a Louisiana limited liability company;
AVENIR VENTURES, L.L.C.,
a Louisiana limited liability company;
BEACON HOSPICE, L.L.C.,
a Delaware limited liability company;
BROOKSIDE HOME HEALTH, LLC,
a Virginia limited liability company;
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
a Tennessee limited liability company;
EMERALD CARE, L.L.C.,
a North Carolina limited liability company;
FAMILY HOME HEALTH CARE, L.L.C.,
a Kentucky limited liability company;
HHC, L.L.C.,
a Tennessee limited liability company;
HOME HEALTH OF ALEXANDRIA, L.L.C.,
a Louisiana limited liability company;
HORIZONS HOSPICE CARE, L.L.C.,
an Alabama limited liability company;

HOUSECALL, L.L.C.,
a Tennessee limited liability company;
HOUSECALL HOME HEALTH, L.L.C.,
a Tennessee limited liability company;
HOUSECALL MEDICAL RESOURCES, L.L.C.,
a Delaware limited liability company;
HOUSECALL MEDICAL SERVICES, L.L.C.,
a Tennessee limited liability company;
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
a Florida limited liability company;
MC VENTURES, LLC,
a Mississippi limited liability company;
M.M. ACCUMED VENTURES, L.L.C.,
a Texas limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
a New York limited liability company;

TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
a Delaware limited liability company;
TLC HOLDINGS I, L.L.C.,
a Delaware limited liability company;
TLC HEALTH CARE SERVICES, L.L.C.,
a Delaware limited liability company;
ACCUMED HEALTH SERVICES, L.L.C.,
a Texas limited liability company;
NINE PALMS 1, L.L.C.,
a Virginia limited liability company; and
NINE PALMS 2, LLP,
a Mississippi limited liability partnership
By: MC VENTURES, LLC, its general partner

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President

ADMINISTRATIVE AGENT AND LENDER:

JPMORGAN CHASE BANK, N.A.

By: /s/ John Kushnerick
Name: John Kushnerick
Title Vice President

LENDER:

BANK OF AMERICA, N.A.

By: /s/ Dan Penkar
Name: Dan Penkar
Title: Senior Vice President

LENDER:

FIFTH THIRD BANK

By: /s/ Joshua N. Livingston
Name: Joshua N. Livingston
Title: Duly Authorized Signatory

LENDER:

COMPASS BANK

By: /s/ Latrice Tubbs
Name: Latrice Tubbs
Title: Vice President

LENDER:

BOKF, NA dba BANK OF TEXAS

By: /s/ Gary Whitt
Name: Gary Whitt
Title: Senior Vice President

LENDER:

RBS CITIZENS, N.A.

By: /s/ Cheryl Carangelo
Name: Cheryl Carangelo
Title: Senior Vice President

LENDER:

UNION BANK, N.A.

By: /s/ Michael Tschida
Name: Michael Tschida
Title: Vice President

LENDER:

REGIONS BANK

By: /s/ Peter D. Little
Name: Peter D. Little
Title: Vice President

LENDER:

RAYMOND JAMES BANK, N.A.

By: /s/ H. Fred Coble, Jr.
Name: H. Fred Coble, Jr.
Title: Senior Vice President

Signature Page to Fourth Amendment to Credit Agreement

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Section 3: EX-10.4 (EX-10.4)

Exhibit 10.4

THIRD AMENDMENT TO EMPLOYMENT AGREEMENT

This Third Amendment to Employment Agreement (this **"Amendment"**) is entered into as of May 1, 2014, by and among Amedisys, Inc., a Delaware corporation (the **"Company"**), Amedisys Holding, L.L.C., a Louisiana limited liability company (**"Holding"**), and Ronald A. LaBorde, a person of the age of majority (**"Executive"**).

WHEREAS, the Company, Holding and Executive are parties to that certain Employment Agreement dated as of November 1, 2011, as amended by the First Amendment thereto dated December 29, 2011, and as further amended by the Second Amendment thereto dated December 19, 2012 (as amended, the **"Original Agreement"**); and

WHEREAS, the Company, Holding and Executive specifically desire to amend the Original Agreement as specifically set forth herein.

NOW, THEREFORE, in consideration of the premises, as well as other mutual promises and covenants contained in this Amendment, the parties hereto agree as follows:

1. Incorporation by Reference. The above recitations are incorporated herein by reference.

2. Capitalized Terms. Capitalized terms used but undefined herein shall have the meanings assigned to them in the Original Agreement.

3. Amendment to Section 30 of Original Agreement. Effective as of May 1, 2014, Section 30 of the Original Agreement is hereby amended and restated in its entirety, as follows:

   Section 30. Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in accordance with such intention and in the least restrictive manner necessary to comply with such requirements (to the extent applicable) and without resulting in any diminution in the value of payments or benefits to Executive or Executive incurring any tax under Section 409A of the Code. If an amount is to be paid under this Agreement in two or more installments, each installment shall be treated as a separate payment for purposes of Section 409A of the Code.

4. Effect of this Amendment. Except as specifically stated herein, the execution and delivery of this Amendment shall in no way affect the respective obligations of the parties under the Original Agreement, all of which shall continue in full force and effect.

5. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Counterparts. This Amendment may be executed in two or more counterparts.

7. Captions. The captions contained in this Amendment are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Amendment.

IN WITNESS WHEREOF, the parties have signed and executed this Amendment as of the day and year first written hereinabove.

AMEDISYS, INC.

By: /s/ Dale E. Redman
Dale E. Redman
Interim Chief Financial Officer
(Pursuant to authority granted to him by the Compensation Committee of the Amedisys, Inc. Board of Directors)

AMEDISYS HOLDING, L.L.C.

By: Amedisys, Inc., Member-Manager

By: /s/ Dale E. Redman
Dale E. Redman
Interim Chief Financial Officer
(Pursuant to authority granted to him by the Compensation Committee of the Amedisys, Inc. Board of Directors)

EXECUTIVE

/s/ Ronald A. LaBorde
Ronald A. LaBorde

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Section 4: EX-10.5 (EX-10.5)

Exhibit 10.5

THIRD AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Third Amendment to Amended and Restated Employment Agreement (this **"Amendment"**) is entered into as of May 1, 2014, by and among Amedisys, Inc., a Delaware corporation (the **"Company"**), Amedisys Holding, L.L.C., a Louisiana limited liability company (**"Holding"**), and Michael O. Fleming, MD, a person of the age of majority (**"Executive"**).

WHEREAS, the Company, Holding and Executive are parties to that certain Amended and Restated Employment Agreement dated July 23, 2010, as amended by the First Amendment thereto dated January 3, 2011, and as further amended by the Second Amendment thereto dated December 19, 2012 (as amended, the **"Original Agreement"**); and

WHEREAS, the Company, Holding and Executive specifically desire to amend the Original Agreement as specifically set forth herein.

NOW, THEREFORE, in consideration of the premises, as well as other mutual promises and covenants contained in this Amendment, the parties hereto agree as follows:

1. Incorporation by Reference. The above recitations are incorporated herein by reference.

2. Capitalized Terms. Capitalized terms used but undefined herein shall have the meanings assigned to them in the Original Agreement.

3. Amendment to Section 30 of Original Agreement. Effective as of May 1, 2014, Section 30 of the Original Agreement is hereby amended and restated in its entirety, as follows:

Section 30. Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in accordance with such intention and in the least restrictive manner necessary to comply with such requirements (to the extent applicable) and without resulting in any diminution in the value of payments or benefits to Executive or Executive incurring any tax under Section 409A of the Code. If an amount is to be paid under this Agreement in two or more installments, each installment shall

be treated as a separate payment for purposes of Section 409A of the Code.

4. Effect of this Amendment. Except as specifically stated herein, the execution and delivery of this Amendment shall in no way affect the respective obligations of the parties under the Original Agreement, all of which shall continue in full force and effect.

5. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Counterparts. This Amendment may be executed in two or more counterparts.

7. Captions. The captions contained in this Amendment are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Amendment.

IN WITNESS WHEREOF, the parties have signed and executed this Amendment as of the day and year first written hereinabove.

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Interim Chief Executive Officer and President

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President

EXECUTIVE

/s/ Michael O. Fleming, MD
Michael O. Fleming, MD

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Section 5: EX-10.6 (EX-10.6)

Exhibit 10.6

SECOND AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Second Amendment to Amended and Restated Employment Agreement (this **"Amendment"**) is entered into as of May 1, 2014, by and among Amedisys, Inc., a Delaware corporation (the **"Company"**), Amedisys Holding, L.L.C., a Louisiana limited liability company (**"Holding"**), and Jeffrey D. Jeter, a person of the age of majority (**"Executive"**).

WHEREAS, the Company, Holding and Executive are parties to that certain Amended and Restated Employment Agreement dated January 3, 2011, as amended by the First Amendment thereto dated December 19, 2012 (as amended, the **"Original Agreement"**); and

WHEREAS, the Company, Holding and Executive specifically desire to amend the Original Agreement as specifically set forth herein.

NOW, THEREFORE, in consideration of the premises, as well as other mutual promises and covenants contained in this Amendment, the parties hereto agree as follows:

1. Incorporation by Reference. The above recitations are incorporated herein by reference.

2. Capitalized Terms. Capitalized terms used but undefined herein shall have the meanings assigned to them in the Original Agreement.

3. Amendment to Section 30 of Original Agreement. Effective as of May 1, 2014, Section 30 of the Original Agreement is hereby amended and restated in its entirety, as follows:

Section 30. Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in accordance with such intention and in the least restrictive manner necessary to comply with such requirements (to the extent applicable) and without resulting in any diminution in the value of payments or benefits to Executive or Executive incurring any tax under Section 409A of the Code. If an amount is to be paid under this Agreement in two or more installments, each installment shall be treated as a separate payment for purposes of Section 409A of the Code.

4. Effect of this Amendment. Except as specifically stated herein, the execution and delivery of this Amendment shall in no way affect the respective obligations of the parties under the Original Agreement, all of which shall continue in full force and effect.

5. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Counterparts. This Amendment may be executed in two or more counterparts.

7. Captions. The captions contained in this Amendment are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Amendment.

IN WITNESS WHEREOF, the parties have signed and executed this Amendment as of the day and year first written hereinabove.

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Interim Chief Executive Officer and President

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President

EXECUTIVE

/s/ Jeffrey D. Jeter
Jeffrey D. Jeter

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Section 6: EX-10.7 (EX-10.7)

Exhibit 10.7

THIRD AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Third Amendment to Amended and Restated Employment Agreement (this **"Amendment"**) is entered into as of May 1, 2014, by and among Amedisys, Inc., a Delaware corporation (the **"Company"**), Amedisys Holding, L.L.C., a Louisiana limited liability company (**"Holding"**), and David R. Bucey, a person of the age of majority (**"Executive"**).

WHEREAS, the Company, Holding and Executive are parties to that certain Amended and Restated Employment Agreement dated as of July 23, 2010, as amended by the First Amendment thereto dated January 3, 2011, and as further amended by the Second Amendment thereto dated December 19, 2012 (as amended, the **"Original Agreement"**); and

WHEREAS, the Company, Holding and Executive specifically desire to amend the Original Agreement as specifically set forth herein.

NOW, THEREFORE, in consideration of the premises, as well as other mutual promises and covenants contained in this Amendment, the parties hereto agree as follows:

1. Incorporation by Reference. The above recitations are incorporated herein by reference.

2. Capitalized Terms. Capitalized terms used but undefined herein shall have the meanings assigned to them in the Original Agreement.

3. Amendment to Section 30 of Original Agreement. Effective as of May 1, 2014, Section 30 of the Original Agreement is hereby amended and restated in its entirety, as follows:

Section 30. Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in accordance with such intention and in the least restrictive manner necessary to comply with such requirements (to the extent applicable) and without resulting in any diminution in the value of payments or benefits to Executive or Executive incurring any tax under Section 409A of the Code. If an amount is to be paid under this Agreement in two or more installments, each installment shall be treated as a separate payment for purposes of Section 409A of the Code.

4. Effect of this Amendment. Except as specifically stated herein, the execution and delivery of this Amendment shall in no way affect the respective obligations of the parties under the Original Agreement, all of which shall continue in full force and effect.

5. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6. Counterparts. This Amendment may be executed in two or more counterparts.

7. Captions. The captions contained in this Amendment are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Amendment.

IN WITNESS WHEREOF, the parties have signed and executed this Amendment as of the day and year first written hereinabove.

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
Interim Chief Executive Officer and President

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Ronald A. LaBorde
President

EXECUTIVE

/s/ David R. Bucey
David R. Bucey

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Section 7: EX-10.8 (EX-10.8)

Exhibit 10.8

EXECUTION VERSION

$70,000,000

SECOND LIEN CREDIT AGREEMENT

among

AMEDISYS, INC.
and
AMEDISYS HOLDING, L.L.C.,
as Borrowers,

THE LENDERS PARTY HERETO,

and

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent

Dated as of July 28, 2014

*** * ***

KKR CAPITAL MARKETS LLC,
as Sole Lead Arranger and Sole Bookrunner

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SCHEDULES:

EXHIBITS:

SECOND LIEN CREDIT AGREEMENT

THIS SECOND LIEN CREDIT AGREEMENT, dated as of July 28, 2014, is among AMEDISYS HOLDING, L.L.C. ("**Co-Borrower**"), AMEDISYS, INC. (the "**Lead Borrower**", together with the Co-Borrower, the "**Borrowers**"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "**Lenders**") and CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent.

The parties hereto agree as follows:

ARTICLE 1:
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this **Section 1.1** shall have the respective meanings set forth in this **Section 1.1**.

"**ABR**": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%, (c) the Eurodollar Rate for an interest period of one month on such day (or, if such day is not a Business Day, the immediately preceding Business Day) plus 1% and (d) 2%. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurodollar Rate respectively.

"**ABR Loan**": a Loan bearing interest at a rate determined by reference to the ABR.

"**Administrative Agent**": Cortland Capital Market Services LLC, together with its successors and assigns, in its capacity as the administrative agent for the Lenders under this Agreement and the other Loan Documents.

"**Adverse Proceeding**": any action, suit, proceeding (whether administrative, judicial or otherwise), prosecution, governmental investigation, audit or arbitration (whether or not purportedly on behalf of the Borrowers or any of their Subsidiaries) at law or in equity, or before or by any Governmental Authority, domestic or foreign (including any Environmental Claims) that is pending or, to the knowledge of the Borrowers or any of their Subsidiaries, threatened against or affecting the Borrowers or any of their Subsidiaries or any property of the Borrowers or any of their Subsidiaries.

"**Affiliate**": as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by, or is under common Control with, such Person.

"**Agent**": the Administrative Agent.

"**Agent Fee Letter**" means the letter agreement dated as of the Closing Date, among the Borrowers and Administrative Agent, as amended, restated, or replaced from time to time.

"**Agent's Account**" means the account specified from time to time by Administrative Agent as the Agent's Account.

"**Aggregate Exposure**": with respect to any Lender at any time, an amount equal to the aggregate then unpaid principal amount of such Lender's Term Loans.

"**Aggregate Exposure Percentage**": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

"**Agreement**": this Second Lien Credit Agreement, dated as of July 28, 2014, as it may be amended, supplemented, restated or otherwise modified from time to time.

"**Applicable Margin**": for any day, 7.50% per annum with respect to Eurodollar Loans and 6.50% per annum with respect to ABR Loans.

"**Approved Fund**": as defined in **Section 10.6(b)**.

"**Arranger**": KKR Capital Markets LLC.

"**Assessments**": as defined in **Section 4.21(g)**.

"**Asset Sale**": any sale, lease or sub-lease (as lessor or sublessor), sale and leaseback, assignment, conveyance, exclusive license (as licensor or sublicensor), transfer or other Disposition to, or any exchange of property with, any Person (other than the Borrowers or any Guarantor), in one transaction or a series of transactions, of all or any part of the Borrowers' or any of their Subsidiaries' businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, leased or licensed, including, without limitation, the Capital Stock of any of the Borrowers' Subsidiaries, other than inventory sold or leased in the ordinary course of business (excluding any such sales, leases or licenses by operations or divisions discontinued or to be discontinued).

"**Assignee**": as defined in **Section 10.6(b).**

"**Assignment and Assumption**": an Assignment and Assumption substantially in the form of **Exhibit C** or such other form as may be acceptable to the Administrative Agent.

"**Bankruptcy Code**": 11 U.S.C. Title 11, as now and hereafter in effect, or any successor statute.

"**Benefitted Lender**": as defined in **Section 10.7(a)**.

"**Board**": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"**Board of Directors**": (a) in the case of a Person that is a limited partnership, the general partner or any committee authorized to act therefor, (b) in the case of a Person that is a corporation, the board of directors of such Person or any committee authorized to act therefor,

(c) in the case of a Person that is a limited liability company, the board of managers or members of such Person or such Person's manager or any committee authorized to act therefor and (d) in the case of any other Person, the board of directors, management committee or similar governing body or any authorized committee thereof responsible for the management of the business and affairs of such a Person.

"**Borrowers**": as defined in the preamble hereto.

"**Borrowing Date**": any Business Day specified by the Borrowers as a date on which the Borrowers request the relevant Lenders to make Loans hereunder.

"**Business Day**": any day of the year on which commercial banks in New York City are not authorized or required by law to close, and, with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the London interbank market.

"**Capital Lease Obligations**": as to any Person, the amount of the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations, in conformity with GAAP, are required to be classified and accounted for as capital leases on a balance sheet of such Person.

"**Capital Stock**": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

"**Cash Equivalents**": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, Eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of **clause (b)** of this definition, having a term of not more than 30 days, with respect to Securities issued or fully guaranteed or insured by the United States government; (e) Securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the Securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A-1 by S&P or P-1 by Moody's; (f) Securities with maturities of six months or less from the date of acquisition backed

by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of **clause (b)** of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of **clauses (a)** through **(f)** of this definition; or (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $1,000,000,000.

"**Change in Law**": the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking into effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a "Change in "Law", regardless of the date enacted, adopted or issued.

"**Change of Control**": at any time, (a) any Person or "group"(within the meaning of Rules 13d-3 and 1 3d-5 under the Exchange Act) (i) shall have acquired beneficial ownership of 35% or more on a fully diluted basis of the voting and/or economic interest in the Capital Stock of the Lead Borrower or (ii) shall have obtained the power (whether or not exercised) to elect a majority of the members of the Board of Directors of the Lead Borrower, or (b) the majority of the seats (other than vacant seats) on the Board of Directors of the Lead Borrower cease to be occupied by Persons who are Continuing Directors.

"**Closing Date**": the date on which the conditions precedent set forth in **Section 5.1** shall have been satisfied, which date is the date of this Agreement.

"**Co-Borrower**": as set forth in the preamble hereto.

"**Code**": the Internal Revenue Code of 1986, as amended from time to time.

"**Collateral**": refers to all of the property described in the Security and Pledge Agreement serving as security for the Obligations.

"**Commitment**": as to any Lender, the Term Commitment of such Lender.

"**Commodity Exchange Act**": means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Commonly Controlled Entity**": an entity, whether or not incorporated, that is under common control with either Borrower within the meaning of Section 4001 of ERISA or is part of a group that includes either Borrower and that is treated as a single employer under Section 414 of the Code.

"**Compliance Certificate**": a certificate duly executed by a Responsible Officer substantially in the form of **Exhibit B**.

"**Confidential Information Memorandum**": the Confidential Information Memorandum dated June, 2014.

"**Connection Income Taxes**": Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Consolidated Adjusted EBITDA**": for any period, an amount determined on a consolidated basis for the Lead Borrower equal to (a) the sum, without duplication, of the amounts for such period of (i) Consolidated Net Income, (ii) Consolidated Interest Expense, (iii) provisions for Taxes based on income, (iv) total depreciation expense, (v) total amortization expense and (vi) other non-cash items reducing Consolidated Net Income (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period) minus (b) other non-cash items increasing Consolidated Net Income for such period (excluding (x) any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash items to the extent that such accrual or reversal was created in such period and (y) any such non-cash item to the extent it will result in the receipt of cash payments in any future period or in respect of which cash was received in a prior period). Consolidated Adjusted EBITDA shall be adjusted to add back to Consolidated Net Income, to the extent deducted therefrom, (a) any one-time expenses relating to restructuring (not to exceed $10,000,000 in the aggregate during any trailing four-Fiscal Quarter period) and discontinued operations and any payments in respect of either of the foregoing, in each case, that are approved by the First Lien Administrative Agent and (b) reserves set aside in anticipation of the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed to the Arranger in writing by the Borrowers prior to the Closing Date, together with associated fees and expenses, in a maximum aggregate amount not to exceed $175,000,000.

"**Consolidated Adjusted EBITDAR**": with reference to any period, Consolidated Adjusted EBITDA for such period plus, without duplication, to the extent deducted from revenues in determining Consolidated Net Income for such period, Consolidated Rent, for the Lead Borrower.

"**Consolidated Capital Expenditures**": for any period, the aggregate of all expenditures of the Lead Borrower and its Subsidiaries during such period determined on a consolidated basis that, in accordance with GAAP, are or should be included in "purchase of property and equipment" or similar items reflected in the consolidated statement of cash flows of the Lead Borrower and its Subsidiaries.

"**Consolidated Cash Interest Expense**": for any period, Consolidated Interest Expense for such period, excluding any amount not payable in cash for such period. For purposes hereof, Consolidated Cash Interest Expense shall not include amounts accrued as interest prior to the execution of the settlement agreement with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters, as disclosed in writing by the Borrowers to the Arranger prior to the Closing Date, such amounts not to exceed $1,700,000 in the aggregate.

"**Consolidated Interest Expense**": for any period, total interest expense (including that portion attributable to Capital Lease Obligations and capitalized interest) of the Lead Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under Specified Swap Agreements, but excluding, however, debt issuance costs, debt discount or premium and other financing fees and expenses paid or accrued on or before the Closing Date.

"**Consolidated Net Income**": for any period, (a) the net income (or loss) of the Lead Borrower and its consolidated Subsidiaries for such period taken as a single accounting period determined in conformity with GAAP, minus (b) (i) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary of the Lead Borrower or is merged into or consolidated with the Lead Borrower or any of its Subsidiaries or that Person's assets are acquired by the Lead Borrower or any of its Subsidiaries, (ii) the income of any Subsidiary of the Lead Borrower to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, (iii) any after-tax gains or losses attributable to a Material Asset Sale or returned surplus assets of any Pension Plan, (iv) the income of any Subsidiary that is not a Wholly-Owned Subsidiary except to the extent such income is distributed in cash to a Borrower or a Guarantor, (v) (to the extent not included in **clauses (i)** through **(iii)** above) any net extraordinary non-cash gains or net extraordinary non-cash losses and (vi) income from discontinued operations.

"**Consolidated Rent**": for any period, the dollar amount of rent expensed for the use of improved and unimproved real property on the financial statements of the Lead Borrower and its Subsidiaries calculated on a consolidated basis in accordance with GAAP for such period.

"**Consolidated Total Debt**": as at any date of determination, the aggregate stated balance sheet amount of all Indebtedness of the Lead Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP (without giving effect to original issue discount).

"**Continuing Directors**": the members of the Board of Directors of the Lead Borrower on the Closing Date and any future member of the Board of Directors of the Lead Borrower if such future director's appointment or nomination for election to the Board of Directors of the Lead Borrower is made or recommended, as the case may be, by at least a majority of the then Continuing Directors.

"**Contractual Obligation**": as to any Person, any provision of any Securities issued by such Person or of any indenture, mortgage, deed of trust, contract, agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound or to which it or any of its properties is subject.

"**Control**": the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have meanings correlative thereto.

"**Controlled Affiliate**": has the meaning assigned to it in **Section 4.23**.

"**Conversion**", "**Convert**" and "**Converted**" each refer to a conversion of a Loan of one Type into Loans of the other Type pursuant to **Section 2.12**.

"**Conversion/Continuation Notice**": means a notice in the form of Exhibit E hereto.

"**Corporate Headquarters**": that parcel of real property located at 5959 South Sherwood Boulevard, Baton Rouge, Louisiana, together with all improvements now or hereafter constructed thereon comprising the principal executive offices of the Lead Borrower and its Subsidiaries.

"**Debtor Relief Law**": the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"**Default**": any of the events specified in **Article 8**, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"**Defaulting Lender**": subject to **Section 2.26**, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrowers in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrowers or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrowers, to confirm in writing to the Administrative Agent and the Borrowers that it will comply with its prospective funding hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such receipt of such written confirmation by the Administrative Agent and the Borrowers), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit

Insurance Corporation or any other state or federal regulatory authority acting in such capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of the courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of **clauses (a)** through **(d)** above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to **Section 2.26**) upon delivery of written notice of such determination to the Borrowers and each Lender.

"**Disposition**": with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms "**Dispose**" and "**Disposed of**" shall have correlative meanings.

"**Dollars**" and "**$**": dollars in lawful currency of the United States.

"**Effective Yield**": as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of the Borrower and, except as otherwise set forth in this definition, consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below) or similar devices and all fees, including (a) upfront or similar fees or original issue discount (amortized over the shorter of (i) the remaining weighted average life to maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof) payable generally to the applicable lenders providing such Indebtedness and (b) the payment of fees in consideration for any amendment, consent, waiver or forbearance (to the extent not in excess of generally prevailing market rates at such time for transactions under similar circumstances) (amortized over the shorter of (i) the remaining weighted average life to maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof), but excluding any arrangement, structuring, ticking or other similar fees payable in connection therewith that are not generally shared with the relevant lenders; provided that with respect to any Indebtedness that includes a "LIBOR floor" or "base rate floor," (x) to the extent that the LIBOR rate or base rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for such Indebtedness for the purpose of calculating the Effective Yield and (y) to the extent that the LIBOR rate or base rate (without giving effect to any floors in such definitions), as applicable, on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield.

"**Embargoed Person**" has the meaning assigned to it in **Section 4.24**.

"**Employee Benefit Plan**": any "employee benefit plan" as defined in Section 3(3) of ERISA which is or was sponsored, maintained or contributed to by, or required to be contributed by, the Borrowers, any of their Subsidiaries or any of their respective ERISA Affiliates.

"**Environmental Claim**": any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (a) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (b) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (c) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"**Environmental Laws**": any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, orders, rules, regulations, judgments, Governmental Authorizations, or any other requirements of Governmental Authorities relating to (a) environmental matters, including those relating to any Hazardous Materials Activity; (b) the generation, use, storage, transportation or disposal of Hazardous Materials; or (c) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to the Borrowers or any of their Subsidiaries or any real property (including all buildings, fixtures or other improvements located thereon) now or hereafter owned, leased, operated or used by the Borrowers or any of their Subsidiaries.

"**ERISA**": the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"**ERISA Affiliate**": as applied to any Person, (a) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Code of which that Person is a member; (b) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Code of which that Person is a member; and (c) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Code of which that Person, any corporation described in **clause (a)** above or any trade or business described in **clause (b)** above is a member. Any former ERISA Affiliate of the Borrowers or any of their Subsidiaries shall continue to be considered an ERISA Affiliate of the Borrowers or any such Subsidiary within the meaning of this definition with respect to the period such entity was an ERISA Affiliate of the Borrowers or such Subsidiary and with respect to liabilities arising after such period for which the Borrowers or such Subsidiary could be liable under the Code or ERISA.

"**ERISA Event**": (a) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for 30-day notice to the PBGC has been waived by regulation); (b) the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(d) of the Code) or the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (c) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (d) the withdrawal by the Borrowers or any of their Subsidiaries or any of their respective ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to the Borrowers, any

of their Subsidiaries or any of their respective Affiliates pursuant to Section 4063 or 4064 of ERISA; (e) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition which might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (f) the imposition of liability on the Borrowers any of their Subsidiaries or any of their respective ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (g) the withdrawal of the Borrower, any of their Subsidiaries or any of their respective ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefore, or the receipt by the Borrowers, any of their Subsidiaries or any of their respective ERISA Affiliates of notice from any Multiemployer Plan that it is in Reorganization or Insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (h) the occurrence of an act or omission which could give rise to the imposition on the Borrowers, any of their Subsidiaries or any of their respective ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Code or under Section 409, Section 502(c), (i) or (1), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (i) the assertion of a material claim (other than routine claims for benefits) against any Employee Benefit Plan other than a Multiemployer Plan or the assets thereof, or against the Borrowers, any of their Subsidiaries or any of their respective ERISA Affiliates in connection with any Employee Benefit Plan; (j) receipt from the Internal Revenue Service of notice of the failure of any Pension Plan (or any other Employee Benefit Plan intended to be qualified under Section 401(a) of the Code) to qualify under Section 401(a) of the Code, or the failure of any trust forming part of any Pension Plan to qualify for exemption from taxation under Section 501(a) of the Code; or (k) the imposition of a Lien pursuant to Section 40l(a)(29) or 412(n) of the Code or pursuant to ERISA with respect to any Pension Plan.

"**Eurocurrency Reserve Requirements**": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for Eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"**Eurodollar Base Rate**": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on the Reuters Screen LIBOR 01 Page as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on such page (or otherwise on such screen), the "**Eurodollar Base Rate**" shall be determined by reference to such other comparable publicly available service for displaying Eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent or a major bank selected by the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank Eurodollar market where its or such bank's Eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein. Notwithstanding anything herein, the Eurodollar Base Rate shall not at any time be less than 1% per annum.

"**Eurodollar Loans**": Loans, the rate of interest applicable to which is based upon the Eurodollar Rate.

"**Eurodollar Rate**": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"**Eurodollar Tranche**": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"**Event of Default**": any of the events specified in **Article 8**, provided, that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"**Excluded Taxes**": any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrowers under **Section 2.22**) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to **Section 2.19**, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with **Section 2.19(g)** and (d) any U.S. Federal withholding Taxes imposed under FATCA.

"**Executive Order**" has the meaning assigned to it in **Section 4.24**.

"**Existing Facility Amendment**" means the Fourth Amendment to First Lien Credit Agreement, dated as of the date hereof.

"**Facility**": the Term Commitments and the Term Loan made hereunder (the "**Term Facility**").

"**FATCA**": Sections 1471 through 1474 of the Code, as of the Closing Date (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"**Federal Funds Effective Rate**": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it.

"**First Lien Administrative Agent**" has the meaning assigned to the term "Administrative Agent" in the First Lien Credit Agreement as in effect on the date hereof.

"**First Lien Commitment**" means "Commitment" as defined in the First Lien Credit Agreement as in effect on the date hereof.

"**First Lien Credit Agreement**": that certain first lien credit agreement dated as of October 26, 2012 (as amended on September 4, 2013, November 11, 2013 and April 17, 2014 and by the Existing Facility Amendment) among the Borrowers, the First Lien Administrative Agent, the lenders from time to time party thereto and the other parties thereto, and any analogous agreement governing any Permitted Refinancing thereof.

"**First Lien L/C Obligations**": means "L/C Obligations" as defined in the First Lien Credit Agreement as in effect on the date hereof.

"**First Lien Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, minus (iii) the outstanding Indebtedness and other obligations of the Borrowers and their Subsidiaries evidenced by the Loan Documents (including any refinancing thereof that is secured by the Collateral on a junior lien basis with respect to the First Lien Obligations), as of the such day, minus (iv) unsecured Indebtedness as of such day, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

"**First Lien Loan**": means "Loan" as defined in the First Lien Credit Agreement as in effect on the date hereof.

"**First Lien Loan Documents**": the "Loan Documents", as such term is defined in the First Lien Credit Agreement.

"**First Lien Obligations**": means "Obligations" as defined in the First Lien Credit Agreement as in effect on the date hereof (or any analogous agreement governing any Permitted Refinancing thereof).

"**Fiscal Quarter**": a fiscal quarter of any Fiscal Year.

"**Fiscal Year**": the fiscal year of the Lead Borrower and its Subsidiaries ending on December 31 of each calendar year.

"**Fixed Charge Coverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (i) Consolidated Adjusted EBITDAR minus Consolidated Capital Expenditures minus Taxes based on income that are paid in cash, all for the four-Fiscal Quarter period then ending, to (ii) scheduled payments of principal on Indebtedness of Borrower and its Subsidiaries (other than such payments in respect of the Senior Notes) plus Consolidated Cash Interest Expense plus Consolidated Rent, all for such four-Fiscal Quarter period.

"**Foreign Assets Control Regulations**": has the meaning assigned to it in **Section 4.24**.

"**Foreign Lender**": (a) if the applicable Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the applicable Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

"**Foreign Subsidiary**": any Subsidiary of the Borrower that is not a U.S. Person.

"**Fraudulent Transfer Laws**": as defined in **Section 2.24(a)**.

"**GAAP**": generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of **Section 7.1**, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in **Section 4.1**.

"**Governmental Authority**": the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra national bodies such as the European Union or the European Central Bank), any securities exchange and any self-regulatory organization (including the National Association of Insurance Commissioners).

"**Governmental Authorization**": any permit, license, certificate of need, approval, agreement, provider number, registration, certificate, filing, consent, authorization, plan, directive, consent order, consent decree or other permission (including any supplements or amendments thereto) of or from any Governmental Authority.

"**Governmental Third Party Payor**": as defined in **Section 4.21(c).**

"**Governmental Third Party Payor Programs**": as defined in **Section 4.21(c)**.

"**Group Members**": the collective reference to the Borrowers and their respective Subsidiaries.

"**Guarantee Obligation**": as to any Person (the "**guaranteeing person**"), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person

that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the "**primary obligations**") of any other third Person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, Securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"**Guarantors**": the collective reference to the Subsidiaries of the Lead Borrower that are required to execute the Guaranty Agreement.

"**Guaranty Agreement**": each Second Lien Guaranty Agreement executed and delivered by each Guarantor, substantially in the form of **Exhibit A**.

"**Hazardous Materials**": any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or could pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any facility or to the indoor or outdoor environment.

"**Hazardous Materials Activity**": any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, Release, threatened Release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

"**Health Care Laws**": (a) any and all federal and state fraud and abuse laws, including without limitation, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Anti-Self-Referral Law (42 U.S.C. § 1395nn), the Anti-Inducement Law (42 U.S.C. §1320a-7a(a)(5)), the Civil False Claims Act (31 U.S.C. §S 3729 *et seq*.), the Administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the Exclusion Laws (42 U.S.C. § 1320a-7), the Civil Monetary Penalty Laws (42 U.S.C. § 1320a-7a), the regulations promulgated pursuant to such statute and any

comparable state laws, (b) HIPAA, (c) Medicare, (d) Medicaid and (e) any other state or federal law, regulation, guidance document, manual provision, program memorandum, opinion letter, or other issuance which regulates patient or program charges, billing and collections, recordkeeping, claims process, documentation requirements, medical necessity, referrals, the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care programs, quality, safety, privacy, security, licensure, accreditation or any other aspect of providing health care or reimbursement therefor.

"**HIPAA**": the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d *et seq*.), as the same may be amended, modified or supplemented from time to time, any successor statute thereto, any and all rules or regulations promulgated from time to time thereunder, and any comparable state laws.

"**HIPAA Compliance Plan**": as defined in **Section 4.21(g)**.

"**HIPAA Compliant**": to the extent applicable, each of the Lead Borrower, Co-Borrower and their Subsidiaries (a) is in material compliance with any and all of the applicable requirements of HIPAA and (b) is not subject to, and would not reasonably be expected to become subject to, any civil or criminal penalty or any investigation, claim or process that would reasonably be expected to cause a Material Adverse Effect in connection with any violation by the Borrowers or any of their Subsidiaries of then effective requirements of HIPAA.

"**Immaterial Subsidiaries**": one or more Subsidiaries that are not Wholly-Owned Subsidiaries to which 3% or less of Consolidated Adjusted EBITDA in the aggregate is attributable.

"**Indebtedness**": as applied to any Person, means, without duplication, (a) all Indebtedness for borrowed money; (b) that portion of obligations with respect to Capital Lease Obligations that is properly classified as a liability on a balance sheet in conformity with GAAP; (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money; (d) any obligation owed for all or any part of the deferred purchase price of property or services (excluding any such obligations incurred under ERISA), which purchase price is (i) due more than six (6) months from the date of incurrence of the obligation in respect thereof or (ii) evidenced by a note or similar written instrument; (e) all Indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the Indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person; (f) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings; (g) the direct or indirect guaranty, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another; (h) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof; (i) any liability of such Person for the obligation of another through any agreement (contingent or otherwise) (i) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the

form of loans, advances, stock purchases, capital contributions or otherwise) or (ii) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under **subclauses (i)** or **(ii)** of this **clause (i)**, the primary purpose or intent thereof is as described in **clause (h)** above; and (j) obligations of such Person in respect of any exchange traded or over the counter derivative transaction, including, without limitation, any Specified Swap Agreement, whether entered into for hedging or speculative purposes. Notwithstanding the foregoing, "**Indebtedness**" shall specifically exclude guaranties and indemnities provided by the Borrowers or any of their respective Subsidiaries in connection with Asset Sales permitted hereunder to the extent that the liability of the Borrowers or any of their respective Subsidiaries under any such guaranty or indemnification is expressly limited to an amount that does not exceed the consideration received for such Asset Sale multiplied by two; provided, however, that any such guaranty or indemnification provided as to matters of fraud, intentional misrepresentation or similar misconduct shall be excluded from the term "**Indebtedness**" regardless of whether there is any such limitation on the amount.

"**Indemnified Taxes**": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrowers or any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Indemnitee**": as defined in **Section 10.5(b)**.

"**Initial Term Loan**": as defined in **Section 2.1**.

"**Insolvency**": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"**Insolvent**": pertaining to a condition of Insolvency.

"**Intellectual Property**": (a) all inventions and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names and corporate names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, (c) all copyrightable works, all copyrights and all applications, registrations and renewals in connection therewith, (d) all broadcast rights, (e) all mask works and all applications, registrations and renewals in connection therewith, (f) all know-how, trade secrets and confidential business information, whether patentable or unpatentable and whether or not reduced to practice (including ideas, research and development, know-how, formulas, compositions and manufacturing and production process and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (g) all computer software (including data and related documentation), (h) all other proprietary rights, (i) all copies and tangible embodiments thereof (in whatever form or medium) and (j) all licenses and agreements in connection therewith.

"**Intercreditor Agreement**": that certain Intercreditor Agreement dated as of the date hereof, among the Borrowers, the Administrative Agent, and the First Lien Administrative Agent (as such agreement is amended, supplemented, amended and restated or otherwise modified in accordance with the terms thereof).

"**Interest Payment Date**": (a) as to any ABR Loan, the last Business Day of each March, June, September and December (or, if an Event of Default is in existence, the last Business Day of each calendar month) to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day (or if such day is not a Business Day, the immediately preceding Business Day) that is three months, or a whole multiple thereof, after the first day of such Interest Period and on the last day of such Interest Period and (d) as to any Loan, the date of any repayment or prepayment made in respect thereof.

"**Interest Period**": as to any Eurodollar Loan, the period commencing on the borrowing, continuation or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six (or, if agreed to by all Lenders, twelve) months thereafter, as selected by the Borrower in its Notice of Borrowing (in the form of Exhibit D) or Conversion/Continuation Notice (in the form of Exhibit E), as the case may be; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrowers may not select an Interest Period that would extend beyond the Maturity Date;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrowers shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"**Investments**": (a) any direct or indirect purchase or other acquisition by the Borrowers, or any of their Subsidiaries of, or of a beneficial interest in, any of the Securities of any other Person (other than a Guarantor); (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, by any Subsidiary of the Borrowers from any Person (other than the Borrowers or any Guarantor), of any Capital Stock of such Person; and (c) any direct or indirect loan, advance (other than advances to employees for moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the Borrowers or any of their Subsidiaries to any other Person (other than the Borrowers or any Guarantor), including all Indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary

course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

"**Joinder Agreement**": the Joinder to the Security and Pledge Agreement substantially in the form of **Exhibit I**.

"**Lead Borrower**": as defined in the preamble hereto.

"**Legacy Costs**": one-time expenses for the costs of lease or other contract terminations and other similar costs of the type described in Emerging Issues Task Force Issue 95-3, "Recognition of Liabilities in connection with a Purchase Business Combination".

"**Lenders**": as defined in the preamble hereto.

"**Lien**": (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities, other than any such rights with respect to the Securities of Persons owned by the Borrowers as a result of Investments made in accordance with **Section 7.7(j)** and any purchase option, call or rights similar thereto with respect to the Securities of such Persons.

"**Liquidity**": at any time, the sum of the aggregate Available Revolving Commitments (as defined in the First Lien Credit Agreement) plus unrestricted cash and Cash Equivalents of the Borrowers minus the aggregate amount of payments due pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards within twelve (12) months after the date of determination.

"**Loan**": any loan made by any Lender pursuant to this Agreement.

"**Loan Documents**": this Agreement, the Security Documents, the Agent Fee Letter, the Notes, if any, and any amendment, waiver, supplement or other modification to any of the foregoing.

"**Loan Party**": a Group Member that is a party to a Loan Document.

"**Material Acquisition**": any acquisition of property or series of related acquisitions of property that (a) constitutes all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by the Loan Parties in excess of $20,000,000.

"**Material Adverse Effect**": any event, development or circumstance that has had or would reasonably be expected to have a material adverse effect on (a) the business, property, operations, condition (financial or otherwise) or prospects of the Borrowers and their Subsidiaries taken as a whole (provided that the investigation of any Governmental Authority with respect to the U.S. Department of Justice Civil Investigative Demand Pursuant to False

Claims Act and Stark Law Matters, as disclosed to the Arranger in writing by the Borrowers prior to the Closing Date, and any related settlement agreements and payments in respect thereof in an aggregate amount not to exceed $175,000,000 shall not be deemed a material adverse effect hereunder), (b) the ability of the Loan Parties to fully and timely perform their obligations under the Loan Documents, (c) the legality, validity, binding effect or enforceability of this Agreement or any of the other Loan Documents against the Loan Parties or the rights and remedies of the Administrative Agent or the Lenders hereunder or thereunder or (d) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent and the Lenders thereunder.

"**Material Asset Sale**": any Asset Sale, other than in connection with a Permitted Acquisition, involving the disposition of property that (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the Capital Stock of a Person and (b) yields gross proceeds to the Borrowers and their Subsidiaries in excess of $5,000,000.

"**Maturity Date**": the sixth anniversary of the Closing Date**.**

"**Maximum Rate**": as defined in **Section 10.15**.

"**Medicaid**": collectively, the healthcare assistance program established by Title XIX of the Social Security Act (42 U.S.C. § 1396 *et seq*.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders, guidelines or requirements pertaining to such program, including (a) all federal statutes (whether set forth in Title XIX of the Social Security Act or elsewhere) affecting such program, (b) all state statutes and plans for medical assistance enacted in connection with such program and federal rules and regulations promulgated in connection with such program, and (c) all applicable provisions of all rules, regulations, manuals, orders and administrative, reimbursement, guidelines and requirements of all government authorities promulgated in connection with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

"**Medicare**": collectively, the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. §1395 *et seq*.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders or guidelines pertaining to such program, including (a) all federal statutes (whether set forth in Title XVIII of the Social Security Act or elsewhere) affecting such program, and (b) all applicable provisions of all rules, regulations, manuals, orders and administrative, reimbursement, guidelines and requirements of all governmental authorities promulgated in connected with such program (whether or not having the force of law), in each case as the same may be amended, supplemented or otherwise modified from time to time.

"**Moody's**": Moody's Investors Services, Inc.

"**Multiemployer Plan**": a Plan that is a multiemployer plan as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"**Nationally Recognized Accounting Firm**": any of Ernst & Young LLP, PriceWaterhouseCoopers LLP, Deloitte & Touche LLP or KPMG LLP or other independent certified public accountants of nationally recognized standing reasonably approved by the Administrative Agent.

"**Net Cash Proceeds**": in connection with any Asset Sale or any Recovery Event, the proceeds thereof in excess of $2,500,000 in any Fiscal Year that are in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys' fees, accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements).

"**Net Revenues**": for any Person, the gross revenues of such Person, net of estimated revenue and contractual adjustments in accordance with such Person's revenue recognition policies and in accordance with GAAP.

"**Non-Consenting Lender**": any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with **Section 10.1** and (b) has been approved by the Required Lenders.

"**Non-Defaulting Lender**": at any time, each Lender that is not a Defaulting Lender at such time.

"**Notes**": the collective reference to any promissory note evidencing Loans.

"**Notice of Borrowing**": a notice substantially in the form of Exhibit D.

"**Obligations**": the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrowers, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the Loans and all other obligations and liabilities of the Borrowers to the Administrative Agent or to any Lender (or any Indemnitee), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Borrowers pursuant hereto) or otherwise.

"**OFAC**": Office of Foreign Assets Control of the United States Department of the Treasury.

"**Other Connection Taxes**": with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax

(other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**": all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to **Section 2.22**).

"**Participant**": as defined in **Section 10.6(c)**.

"**Participant Register**": as defined in **Section 10.6(c)**.

"**PBGC**": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"**Pension Plan**": any Employer Benefit Plan, other than a Multiemployer Plan, which is subject to Section 412 of the Code or Section 302 of ERISA.

"**Permitted Acquisition**": any acquisition by the Borrowers or any of their Wholly-Owned Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, or of 50% or more of the Capital Stock of, or a business line or unit or a division of, any Person; provided, (a) immediately prior to, and after giving pro forma effect thereto, no Event of Default or Default shall have occurred and be continuing or would result therefrom; (b) the Borrowers and their Subsidiaries shall have delivered to the Administrative Agent at least five Business Days prior to such proposed acquisition, a certificate evidencing compliance with **Sections 7.1(a)** and **(b)** on a pro forma basis after giving effect to such acquisition, (c) such acquisition and all transactions related thereto (i) shall be consummated in accordance with all material applicable laws and (ii) shall not be preceded by, or effected pursuant to, a hostile takeover offer and (d) after giving effect thereto, the Loan Parties and their Subsidiaries shall be in compliance with **Section 7.13**.

"**Permitted Refinancing**": with respect to any Indebtedness, any refinancing, refunding, renewal or replacement of such Indebtedness; provided that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so refinanced, refunded, renewed or replaced, plus additional borrowings, the amount in this clause (a) not to exceed $265,000,000 in the aggregate; (b) such refinancing, refunding, renewal or replacement has a final maturity date equal to or later than the final maturity date of, and has a weighted average life to maturity equal to or greater than the weighted average life to maturity of, the Indebtedness so refinanced, refunded, renewed or replaced; (c) such refinancing, refunding, renewal or replacement is subject to the terms and provisions of the Intercreditor Agreement; (d) other than with respect to pricing, interest rates and fees, the terms and conditions of any such refinanced, refunded, renewed or replaced Indebtedness are not more restrictive on the Loan Parties in any material respect than those set

forth in the Agreement and the other Loan Documents and not materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness so refinanced, refunded, renewed or replaced; (e) such refinancing, refunding, renewal or replacement is incurred by Persons who are the obligors under the Indebtedness so refinanced, refunded, renewed or replaced; and (f) at the time thereof, no Default or Event of Default shall have occurred and be continuing.

"**Person**": any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Plan**": at a particular time, any Employee Benefit Plan that is covered by ERISA and in respect of which the Borrowers or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"**Prime Rate**": the rate of interest per annum published in *The Wall Street Journal* from time to time as the "Prime Rate." Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. If *The Wall Street Journal* ceases to publish the "Prime Rate" or the Prime Rate becomes unavailable for any temporary period in *The Wall Street Journal* (other than days when the newspaper is not published), the Administrative Agent may use the Prime Rate as published in *The New York Times*, and if such "Prime Rates" cease to be a commonly published index or are limited, regulated or administered by a governmental or quasi-governmental body, then the Administrative Agent shall be required to select a comparable interest rate index.

"**Privacy and Security Rules**": as defined in **Section 4.21**.

"**Private Third Party Payor**": as defined in **Section 4.21**.

"**Private Third Party Payor Programs**": as defined in **Section 4.21**.

"**Prohibited Person**": any Person (a) listed in the Annex to the Executive Order or identified pursuant to Section 1 of the Executive Order; (b) that is owned or controlled by, or acting for or on behalf of, any Person listed in the Annex to the Executive Order or identified pursuant to the provisions of Section 1 of the Executive Order; (c) with whom a Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or anti-laundering law, including the Executive Order; (d) who commits, threatens, conspires to commit, or supports "terrorism" as defined in the Executive Order; (e) who is named as a "Specially designated national or blocked person" on the most current list published by the OFAC at its official website, at http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf or any replacement website or other replacement official publication of such list; or (f) who is owned or controlled by a Person listed above in clause (c) or (e).

"**Projections**": as defined in Section 4.22.

"**Recipient**": (a) the Administrative Agent and (b) any Lender, as applicable.

"**Recovery Event**": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member.

"**Register**": as defined in **Section 10.6**.

"**Regulation U**": Regulation U of the Board as in effect from time to time.

"**Reinvestment Deferred Amount**": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Group Member in connection therewith that are not applied to prepay the First Lien Loans or the Term Loan pursuant to Section 2.11(a) as a result of the delivery of a Reinvestment Notice.

"**Reinvestment Event**": any Asset Sale or Recovery Event in respect of which the Borrowers have delivered a Reinvestment Notice.

"**Reinvestment Notice**": a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrowers (directly or indirectly through a Subsidiary) intend and expect to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire or repair assets useful in their businesses.

"**Reinvestment Prepayment Amount**": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair assets useful in the Borrowers' business.

"**Reinvestment Prepayment Date**": with respect to any Reinvestment Event, the earlier of (a) the date occurring nine months after such Reinvestment Event and (b) the date on which the Borrowers shall have determined not to, or shall have otherwise ceased to, acquire or repair assets useful in the Borrowers' business with all or any portion of the relevant Reinvestment Deferred Amount.

"**Related Party**": with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"**Release**": any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"**Reorganization**": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"**Reportable Event**": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .27, .28, .29, .30, .31, .32, .34 or .35 of PBGC Reg. §4043.

"**Required Lenders**": at any time, the holders of more than 80% of the aggregate unpaid principal amount of the Term Loan then outstanding. The aggregate unpaid principal amount of any Defaulting Lender's Term Loan shall be disregarded in determining Required Lenders at any time.

"**Requirement of Law**": as to any Person, the Certificate of Incorporation and Bylaws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**": the chief executive officer, president, chief financial officer or senior vice president-finance of the Lead Borrower, but in any event, with respect to financial matters, the chief financial officer or the senior vice president-finance of the Lead Borrower.

"**Restricted Payments**": (a) any dividend or other distribution, direct or indirect, on account of any shares of any class of stock of the Borrowers or any of their Subsidiaries now or hereafter outstanding, except a dividend payable solely in shares of that class of stock to the holders of that class; (b) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of the Borrowers or any of their Subsidiaries now or hereafter outstanding; and (c) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of the Borrowers or any of their Subsidiaries now or hereafter outstanding.

"**S&P**": Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation.

"**SEC**": the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

"**Secured Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, minus (iii) unsecured Indebtedness as of such day, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

"**Securities**": any stock, shares, partnership interests, membership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of Indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Securities Act**": the Securities Act of 1933, as amended from time to time, and any successor statute.

"**Security and Pledge Agreement**": the Second Lien Security and Pledge Agreement dated as of the date hereof, executed by the Borrowers and each Guarantor in favor of the Administrative Agent.

"**Security Documents**": the collective reference to the Guaranty Agreement and Security and Pledge Agreement.

"**Senior Notes**": has the meaning assigned to such term in the First Lien Credit Agreement (as in effect on the date hereof).

"**Single Employer Plan**": any Plan that is covered by Title IV of ERISA, but that is not a Multiemployer Plan.

"**Solvent**": when used with respect to any Person, means that, as of any date of determination, (a) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "**debt**" means liability on a "claim", and (ii) "**claim**" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"**Specified Entities**": collectively, Heart of the Rockies Home Health, LLC, Wentworth Home Care and Hospice, LLC, Marietta Home Health and Hospice, LLC, Tri Cities Home Health, LLC, Amedisys Valley Texas, L.L.C., Portneuf Home Health Care, LLC and Saint Alphonsus Home Health and Hospice, LLC.

"**Specified Swap Agreement**": has the meaning assigned to such term in the First Lien Credit Agreement (as in effect on the date hereof).

"**Subject Transaction**": as defined in **Section 7.1(a)**.

"**Subsidiary**": as to any Person (the "**parent**") at any date, any corporation, partnership, limited liability company or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, limited liability company or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, are of such date, owned, controlled or held (whether directly or indirectly).

"**Swap Agreement**": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or Securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrowers or any of their Subsidiaries shall be a "Swap Agreement".

"**Taxes**": all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term Commitment**": as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrowers in a principal amount not to exceed the amount set forth under the heading "Term Commitment" opposite such Lender's name on **Schedule 1.1**. The original aggregate amount of the Term Commitments is $70,000,000.

"**Term Lenders**": the Lenders of the Term Loans.

"**Term Loans**": the Initial Term Loan and "Term Loan" refers to any of such Term Loans.

"**Term Percentage**": as to any Term Lender at any time, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding.

"**Total Leverage Ratio**": the ratio as of the last day of any Fiscal Quarter of (a) the sum of (i) Consolidated Total Debt as of such day plus (ii) the then outstanding aggregate amount owing by the Borrowers and their Subsidiaries pursuant to contractual settlement agreements, binding arbitration awards and judicial or administrative judgments or awards, plus, without duplication, the aggregate amount of reserves set aside in anticipation thereof, to (b) Consolidated Adjusted EBITDA for the four-Fiscal Quarter period ending on such date.

"**Trading With the Enemy Act**": has the meaning assigned to it in **Section 4.24**.

"**Transactions Rule**": as defined in **Section 4.21**.

"**Transferee**": any Assignee or Participant.

"**Type**": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"**United States**": the United States of America.

"**U.S. Person**": a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"**U.S. Tax Compliance Certificate**": has the meaning assigned to such term in **Section 2.19(g)(ii)(B)(3)**.

"**USA Patriot Act**": as defined in **Section 10.18**.

"**Wholly-Owned Subsidiary**": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly-Owned Subsidiaries.

"**Wholly-Owned Subsidiary Guarantor**": any Subsidiary Guarantor that is a Wholly-Owned Subsidiary of the Borrowers.

"**Withdrawal Liability**": liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"**Withholding Agent**": any Loan Party and the Administrative Agent, as applicable.

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", (ii) the word "incur" shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words "incurred" and "incurrence" shall have correlative meanings), (iii) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, Securities, revenues, accounts, leasehold interests and contract rights, and (iv) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrowers notify the Administrative Agent that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change

occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrowers that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. For purpose of determining compliance with any provision of this Agreement, the determination of whether a lease is to be treated as an operating lease or capital lease shall be made without giving effect to any change in accounting for leases pursuant to GAAP resulting from the implementation of proposed Accounting Standards Update (ASU) Leases (Topic 842) issued May 16, 2013, or any successor proposal. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, (a) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrowers or any Subsidiary at "fair value", as defined therein and (b) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner, as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

ARTICLE 2:
AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan (the "**Initial Term Loan**") to the Borrowers on the Closing Date in an amount equal to such Lender's Term Commitment as of the Closing Date. The Initial Term Loan may from time to time consist of Eurodollar Loans or ABR Loans, as determined by the Borrowers and notified to the Administrative Agent in accordance with **Sections 2.2** and **2.12**.

2.2 Procedure for Initial Term Loan Borrowing. The Borrowers shall give the Administrative Agent irrevocable written notice in the form of a Notice of Borrowing in substantially the form of Exhibit D (which notice must be received by the Administrative Agent prior to 11:00 A.M., New York City time, (a) three Business Days (or in the case of the initial Borrowing hereunder, such shorter period of time as the Administrative Agent shall agree) prior to the anticipated Closing Date, in the case of Eurodollar Loans, or (b) one Business Day (or or in the case of the initial Borrowing hereunder, such shorter period of time as the Administrative Agent shall agree) prior to the anticipated Closing Date, in the case of ABR Loans), requesting that the Term Lenders make the Initial Term Loan on the Closing Date and specifying the amount to be borrowed. Upon receipt of such notice, the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 Noon, New York City time, on the Closing Date, each Term Lender shall make available to the Administrative Agent in the Agent's Account an amount in immediately available funds equal to the Initial Term Loan to be made by such Lender. The Administrative Agent shall disburse, on behalf of the Borrowers in accordance with the instructions set forth in the initial Notice of Borrowing, the aggregate of the amounts made available to the Administrative Agent by the Lenders in immediately available funds.

2.3 Repayment of Term Loans. Each Borrower hereby unconditionally promises to pay, on the Maturity Date, to the Administrative Agent for the ratable account of the Term Lenders the then unpaid principal amount of the Term Loans on such Maturity Date.

2.4 [Reserved].

2.5 [Reserved].

2.6 [Reserved].

2.7 [Reserved].

2.8 Certain Fees The Borrowers agree to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in the Agent Fee Letter and any other fee agreements with the Administrative Agent and to perform any other obligations contained therein.

2.9 [Reserved].

2.10 Optional Prepayments. The Borrowers may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable written notice in substantially the form of Exhibit G-1 hereto delivered to the Administrative Agent no later than 11:00 A.M., New York City time, three Business Days prior thereto, in the case of Eurodollar Loans, and no later than 11:00 A.M., New York City time, one Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or ABR Loans; provided, that if any applicable Borrower makes a voluntary prepayment of any Loans pursuant to this Section on or prior to the two year anniversary of the Closing Date, the applicable Borrower(s) shall pay to the Administrative Agent, for the ratable account of the applicable Term Lenders, a prepayment premium in an amount equal to (x) on or prior to the one year anniversary of the Closing Date, 2.00% of the principal amount of Term Loans prepaid or repaid and (y) after the one year anniversary of the Closing Date but on or prior to the two year anniversary of the Closing Date, 1.00% of the principal amount of Term Loans prepaid or repaid; provided, further, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrowers shall also pay any amounts owing pursuant to **Section 2.20(c)**. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid. Partial prepayments of the Term Loans shall be in an aggregate principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. Prepayments of the Term Loans made pursuant to this **Section 2.10** shall be applied in accordance with **Section 2.17(b)**.

2.11 Mandatory Prepayments.

(a) Subject to the prior application of such amounts as required under the First Lien Credit Agreement, if on any date any Group Member shall receive Net Cash Proceeds from any

Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, the Borrowers shall deliver to Administrative Agent a notice of mandatory prepayment in substantially the form of Exhibit G-2 hereto (which notice shall specify the date and amount of the Net Cash Proceeds received by such Group Member, the amount, if any, which is subject to prior application under the First Lien Credit Agreement, and the amount which is to be applied to the Loans hereunder) and such Net Cash Proceeds shall be applied on the date such notice is delivered toward the prepayment of the Loans as set forth in **Section 2.11(b)**; provided, that, notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed $5,000,000 in any Fiscal Year and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Loans as set forth in **Section 2.11(b)**.

(b) Amounts to be applied in connection with prepayments made pursuant to **Section 2.11(a)** shall be applied to the prepayment of the Term Loans in accordance with **Section 2.17(b)**. The application of any prepayment pursuant to **Section 2.11** shall be made, first, to ABR Loans and, second, to Eurodollar Loans. Each prepayment of the Loans under **Section 2.11** shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.12 Conversion and Continuation Options.

(a) The Borrowers may elect from time to time to Convert Eurodollar Loans to ABR Loans by giving the Administrative Agent a Conversion/Continuation Notice (which notice, when given, shall be irrevocable) no later than 11:00 A.M., New York City time, on the Business Day preceding the proposed Conversion date, provided that any such Conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrowers may elect from time to time to Convert ABR Loans to Eurodollar Loans by giving the Administrative Agent a Conversion/Continuation Notice (which notice, when given, shall be irrevocable) no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed Conversion date (which notice shall specify, among other things, the length of the initial Interest Period therefor), provided that no ABR Loan may be Converted into a Eurodollar Loan when: (i) any Event of Default has occurred and is continuing; and (ii) the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such Conversions. Upon receipt of any Conversion/Continuation Notice, the Administrative Agent shall promptly notify each relevant Lender thereof. For the avoidance of doubt, any such conversions or continuations shall be in aggregate principal amounts of (i) in the case of ABR Loans, $1,000,000 or a whole multiple of $100,000 in excess thereof and (ii) in the case of Eurodollar Loans, $1,000,000 or a whole multiple of $100,000 in excess thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then-current Interest Period with respect thereto by the Borrowers giving a Conversion/Continuation Notice (which notice, when given, shall be irrevocable) no later than 11:00 A.M., New York City time, on the third Business Day preceding the proposed continuation date (which shall be the last day of the then-current Interest Period), which notice shall specify, among other things, the length of the next Interest Period to be applicable to such Loans; provided that no Eurodollar

Loan may be continued as such when (i) any Event of Default has occurred and is continuing and (ii) the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations, and provided, further, that if the Borrowers shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Loans shall be automatically Converted to ABR Loans on the last day of the then-expiring Interest Period. Upon receipt of a Conversion/Continuation Notice pursuant to this provision 2.12(b), the Administrative Agent shall promptly notify each relevant Lender thereof.

2.13 Limitations on Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be in conformity with **Section 2.12** and (b) no more than ten Eurodollar Tranches shall be outstanding at any one time.

2.14 Interest Rates and Payment Dates.

(a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) (i) If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2%, and (ii) if all or a portion of any interest payable on any Loan or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate then applicable to ABR Loans plus 2% from the date of such nonpayment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to **paragraph (c)** of this Section shall be payable from time to time on demand.

2.15 Computation of Interest and Fees.

(a) Interest payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrowers and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall, as soon as practicable, notify the Borrowers and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrowers and the Lenders in the absence of manifest error. The Administrative Agent shall, at the written request of the Borrowers, deliver to the Borrowers a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to **Section 2.15(a)**.

2.16 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrowers) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period; or

(b) the Administrative Agent shall have received written notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining their affected Loans during such Interest Period;

(c) then the Administrative Agent shall give telecopy, telephonic or electronic mail notice thereof to the Borrowers and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans that were to have been Converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be Converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrowers have the right to Convert any ABR Loans to Eurodollar Loans.

2.17 Pro Rata Treatment and Payments.

(a) Each borrowing by the Borrowers from the Lenders hereunder and any reduction of the Commitments of the Lenders shall be made on a pro rata basis according to the respective Term Percentages of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrowers on account of principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. Amounts paid or prepaid on account of the Term Loans may not be reborrowed.

(c) [Reserved].

(d) All payments (including prepayments) to be made by the Borrowers hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 1:00 P.M., New York City time, on the due date thereof

to the Administrative Agent, for the account of the Lenders, to the Agent's Account, in Dollars and in immediately available funds. Any payment received by the Administrative Agent after 1:00 P.M., New York City time on a Business Day may be deemed received on the next succeeding Business Day. The Administrative Agent shall distribute such payments to each relevant Lender promptly upon receipt in full, in like funds as received, net of any amounts owing by such Lender pursuant to **Section 10.5**. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may (but shall have no obligation to), in reliance upon such assumption, make available to the Borrowers a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans, on demand, from the Borrowers.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrowers prior to the date of any payment due to be made by the Borrowers hereunder that the Borrowers will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrowers are making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrowers within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrowers.

2.18 Increased Costs.

(a) If any Change in Law shall:

(i) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) impose, modify or deem applicable any reserve, special deposit or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Eurodollar Rate); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender or such other Recipient hereunder (whether of principal, interest or otherwise), then, upon request of such Lender or other Recipient, the Borrowers will pay to such Lender or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender or other Recipient setting forth the amount or amounts necessary to compensate such Lender, its holding company or other Recipient, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrowers and the Administrative Agent and shall be conclusive absent manifest error. The Borrowers shall pay such Lender or other Recipient the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or other Recipient to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or other Recipient's right to demand such compensation; provided that the Borrowers shall not be required to compensate a Lender or other Recipient pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such other Recipient notifies the Borrowers of the Change in Law giving rise to such increased costs or

reductions and of such Lender's or other Recipient's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

2.19 Taxes.

(a) **Defined Terms**. For purposes of this **Section 2.19**, the term "applicable law" includes FATCA.

(b) **Payments Free of Taxes**. Any and all payments by or on account of any obligation of the Borrowers and any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this **Section 2.19**) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) **Payment of Other Taxes by the Loan Parties**. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) **Indemnification by the Loan Parties**. The Loan Parties shall jointly and severally indemnify each Recipient, within ten days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrowers by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) **Indemnification by the Lenders**. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of **Section 10.6(c)** relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable

expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this **paragraph (e)**.

(f) **Evidence of Payments**. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this **Section 2.19**, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) **Status of Lenders**. (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrowers and the Administrative Agent, at the time or times reasonably requested by the Borrowers or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrowers or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrowers or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrowers or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in **Section 2.19(g)(ii)(A)**, **(ii)(B)** and **(ii)(D)** below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrowers are each a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrowers and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN (and/or as applicable, W-8BEN-E) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN (and/or as applicable, W-8BEN-E) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed originals of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of **Exhibit H-1** to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of either Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "**U.S. Tax Compliance Certificate**") and (y) executed originals of IRS Form W-8BEN (and/or as applicable, W-8BEN-E); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN (and/or as applicable, W-8BEN-E), a U.S. Tax Compliance Certificate substantially in the form of **Exhibit H-2** or **Exhibit H-3**, IRS Form W-9, and/or other certification documents (including, without limitation, a valid withholding statement) from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit H-4** on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrowers and the Administrative Agent (in such number of copies as shall be requested by the Recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrowers or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrowers and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrowers or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrowers or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **clause (D)**, "FATCA" shall include any amendments made to FATCA after the Closing Date.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrowers and the Administrative Agent in writing of its legal inability to do so.

(h) **Treatment of Certain Refunds**. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this **Section 2.19** (including by the payment of additional amounts pursuant to this **Section 2.19**), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this **Section 2.19** with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) **Survival**. Each party's obligations under this **Section 2.19** shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.20 Indemnity. The Borrowers agree to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) default by the Borrowers in making a borrowing of, Conversion into or continuation of Eurodollar Loans after the Borrowers have given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrowers in making any prepayment of or conversion from Eurodollar Loans after the Borrowers have given a notice thereof in accordance with the provisions of this Agreement, (c) the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto, or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrowers pursuant to **Section 2.21** or **2.22**. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank Eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrowers (with a copy to the Administrative Agent) by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.21 Designation of a Different Lending Office. If any Lender requests compensation under **Section 2.18**, or requires the Borrowers to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.19**, then such Lender shall (at the request of the Borrowers) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to **Section 2.18** or **2.19**, as the case may be, in the future, and (b) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

2.22 Replacement of Lenders. If any Lender requests compensation under **Section 2.18**, or if the Borrowers are required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to **Section 2.19**, and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with **Section 2.21**, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in **Section 10.6**), all its

interests, rights (other than its existing rights to payments made pursuant to **Sections 2.18** and **2.19**) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (a) such assignee shall meet the requirements to be an assignee under **Section 10.6(b)(ii)** (subject to such consents, if any, as may be required under **Section 10.6(b)(i)**), (b) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in **Section 10.6(b)(ii)(B)**, (c) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and the other Loan Documents (including any amounts under **Section 2.20**) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts), including, from the Borrowers, the fees set forth in **Section 2.10** on the aggregate principal amount of Loans such Lender is required to assign as if such Loans had been voluntarily prepaid pursuant to such **Section 2.10** on the date of assignment, (d) in the case of any such assignment resulting from a claim for compensation under **Section 2.18** or payments required to be made pursuant to **Section 2.19**, such assignment will result in a reduction in such compensation or payments thereafter, (e) such assignment shall not conflict with applicable law, and (f) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

2.23 [Reserved].

2.24 Joint and Several Liability.

(a) All Obligations of the Borrowers under this Agreement and the other Loan Documents shall be joint and several Obligations of each Borrower. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the Obligations of each Borrower hereunder, solely to the extent that such Borrower did not receive the benefit of the proceeds of Loans from any borrowing hereunder, shall be limited to a maximum aggregate amount equal to the largest amount that would not render its Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the Bankruptcy Code, or any applicable provisions of comparable state law (collectively, the "**Fraudulent Transfer Laws**"), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of intercompany Indebtedness to any other Loan Party or Affiliates of any other Loan Party to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Loan Party hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Borrower pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Borrower and other Affiliates of any Loan Party of Obligations arising under the Guaranty Agreement executed by such parties.

(b) Until the Obligations shall have been paid in full in cash and all Commitments under the Loan Documents have been terminated, each Borrower shall withhold exercise of any right of subrogation, contribution or any other right to enforce any remedy which it now has or may hereafter have against the other Borrower or any other Guarantor. Each Borrower further agrees that, to the extent the waiver of its rights of subrogation, contribution and remedies as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any such rights such Borrower may have against the other Borrower, any collateral or security or any such other Guarantor, shall be junior and subordinate to any rights the Administrative Agent may have against the other Borrower, any such collateral or security, and any such other Guarantor.

(c) Co-Borrower hereby appoints Lead Borrower as its agent, attorney-in-fact and representative for the purpose of (i) making any borrowing requests or other requests required under this Agreement, (ii) the giving and receipt of notices by and to Borrowers under this Agreement, (iii) the delivery of all documents, reports, financial statements and written materials required to be delivered by Borrowers under this Agreement, and (iv) all other purposes incidental to any of the foregoing. Co-Borrower agrees that any action taken by Lead Borrower as the agent, attorney-in-fact and representative of Co-Borrower shall be binding upon Co-Borrower to the same extent as if directly taken by Co-Borrower.

(d) All Loans shall be made to Lead Borrower as borrower unless a different allocation of the Loans as between Lead Borrower and Co-Borrower with respect to any borrowing hereunder is included in the applicable funding notice.

2.25 [Reserved].

2.26 Defaulting Lenders.

Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) **Waivers and Amendments**. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and the last sentence of Section 10.1.

(ii) **Defaulting Lender Cure.** If the Borrowers and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will cease to be a Defaulting Lender; provided that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE 3:
[RESERVED]

ARTICLE 4:
REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans, the Borrowers hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

4.1 Financial Condition. The audited consolidated balance sheets of the Group Members as at December 31, 2013 and December 31, 2012, and the related consolidated statements of income and of cash flows for each of the two Fiscal Years ended on December 31, 2013 and December 31, 2012, reported on by and accompanied by an unqualified report from a Nationally Recognized Accounting Firm and included in the Lead Borrower's Annual Reports on Form 10-K for the Fiscal Years ended December 31, 2013 and December 31, 2012, present fairly the consolidated financial condition of the Group Members at such date, and the consolidated results of its operations and its consolidated cash flows for the respective Fiscal Years then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). No Group Member has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph.

4.2 No Change. Since December 31, 2013, there has been no development or event with respect to the Borrowers or their Subsidiaries that has had or could reasonably be expected to have a Material Adverse Effect. During the period from December 31, 2013 to and including the Closing Date there has been no Disposition by any Group Member of any material part of its business or property.

4.3 Existence; Compliance with Law. Each Loan Party (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification and (d) is in compliance with all Requirements of Law and all indentures, agreements and other instruments, except in the case of each of clauses (c) and (d), to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

4.4 Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrowers, to obtain extensions of credit hereunder.

Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrowers, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except consents, authorizations, filings and notices described in **Schedule 4.4**, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation, other than Liens in favor of the Administrative Agent as contemplated in this Agreement. No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 Adverse Proceedings. There are no Adverse Proceedings (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. Neither the Borrowers nor any of their Subsidiaries (a) is in violation of any applicable laws (including Environmental Laws and Health Care Laws) that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Group Member has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other property, and none of such property is subject to any Lien except as permitted by **Section 7.3**.

4.9 Intellectual Property. Each Group Member and its Subsidiaries own, or possess the right to use, all Intellectual Property that the Loan Parties consider reasonably necessary for the conduct of their respective businesses as currently conducted without any infringement upon the rights of any other Person that could have a Material Adverse Effect. To the knowledge of Borrowers, the use of Intellectual Property by each Group Member does not infringe on the rights of any Person in any manner that could reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Borrowers, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.10 Taxes. Except as otherwise permitted under **Section 6.13**, all federal tax returns, and all other tax returns and reports of the Borrowers and their Subsidiaries required to be filed by any of them (excluding such other tax returns and reports with respect to which the failure to pay or file could not result in the loss, suspension, or impairment of any material Governmental Authorization, and otherwise could not reasonably be expected to have a Material Adverse Effect) have been timely filed (including extensions), and all taxes shown on such tax returns to be due and payable and all assessments, fees and other governmental charges upon the Borrowers and their Subsidiaries and upon their respective properties, assets, income, businesses and franchises which are due and payable have been paid when due and payable. The Borrowers know of no proposed tax assessment against the Borrowers or any of their Subsidiaries that is not being actively contested by the Borrowers or such Subsidiary in good faith and by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrowers and/or their Subsidiaries, as the case may be; and as of the Closing Date no tax Lien has been filed, and to the knowledge of the Borrowers, no claim is being asserted, with respect to any such tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used, directly or indirectly, (a) for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect for any purpose that violates the provisions of Regulation U or (b) for any purpose that violates the provisions of Regulation U. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U 1, as applicable, referred to in Regulation U.

4.12 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Borrowers, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable

provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount. Neither the Borrowers nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or could reasonably be expected to result in a material liability under ERISA, and neither the Borrowers nor any Commonly Controlled Entity would become subject to any material liability under ERISA if the Borrowers or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made. No such Multiemployer Plan is in Reorganization or Insolvent.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its ability to incur Indebtedness.

4.15 Subsidiaries. Except as set forth on **Schedule 4.15**, as of the Closing Date, there are no existing subscriptions, options, warrants, calls, rights, commitments or other agreements to which the Borrowers or any of their Subsidiaries are a party requiring, and there is no membership interest or other Capital Stock of any of the Subsidiaries of the Lead Borrower outstanding which upon conversion or exchange would require, the issuance by any of the Subsidiaries of the Lead Borrower of any additional membership interests or other Capital Stock of any of the Subsidiaries of the Lead Borrower or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of any of the Subsidiaries of the Lead Borrower. **Schedule 4.15** correctly sets forth the name and jurisdiction of incorporation of each Subsidiary, as to each such Subsidiary, the ownership interest of the Lead Borrower and its Subsidiaries in its respective Subsidiaries as of the Closing Date. Each Subsidiary of the Lead Borrower that is a Guarantor as of the Closing Date is identified in **Schedule 4.15**.

4.16 Reserved.

4.17 Environmental Matters. There are no Adverse Proceedings regarding environmental matters or compliance with Environmental Laws that, individually or in the aggregate would reasonably be expected to have a Material Adverse Effect. Neither Borrowers nor any of their Subsidiaries nor any of their respective facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials Activity that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. There are and, to each of the Borrowers' and their Subsidiaries' knowledge, have been, no conditions, occurrences, or Hazardous Materials Activities which would reasonably be expected to form the basis of an Environmental Claim against the Borrowers and their Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a

Material Adverse Effect. Neither Borrowers nor any of their Subsidiaries nor, to any Loan Party's knowledge, any predecessor of Borrowers and their Subsidiaries has filed any notice under any Environmental Law indicating past or present treatment of Hazardous Materials at any facility in violation of any Environmental Law where such violation is reasonably expected to have a Material Adverse Effect. None of the Borrowers' or any of their Subsidiaries' operations involves the generation, transportation, treatment, storage or disposal of hazardous waste, as defined under 40 C.F.R. Parts 260-270 or any state equivalent, except in the ordinary course of its business in compliance with all Environmental Laws. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. No event or condition has occurred or is occurring with respect to the Borrowers and their Subsidiaries relating to any Environmental Law, any Release of Hazardous Materials, or any Hazardous Materials Activity which individually or in the aggregate has had, or would reasonably be expected to have, a Material Adverse Effect.

4.18 Accuracy of Information, Etc. No statement or information contained in this Agreement, any other Loan Document or any other document, the Confidential Information Memorandum, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (or, in the case of the Confidential Information Memorandum, as of the Closing Date), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein not misleading. The Projections and pro forma financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Lead Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. Borrowers have no knowledge of any matter or occurrence that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the Confidential Information Memorandum, in the other Loan Documents, or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Solvency. Each Loan Party is, and after giving effect to the Loan Documents and to the incurrence of all Obligations being incurred in connection herewith on the Closing Date and on any date on which this representation and warranty is made, will be, Solvent.

4.20 Employee Benefit Plans. The Borrowers, each of their Subsidiaries and each of their respective ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA and the Code and the regulations and published interpretations thereunder with respect to each Employee Benefit Plan, and have performed all their obligations under each Employee Benefit Plan, except where such non-compliance or non-performance would not reasonably be expected to result in a Material Adverse Effect. Each Employee Benefit Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service indicating that such Employee Benefit

Plan is so qualified and nothing has occurred subsequent to the issuance of such determination letter which would cause such Employee Benefit Plan to lose its qualified status that would reasonably be expected to result in a Material Adverse Effect. No liability to the PBGC (other than required premium payments), the Internal Revenue Service, any Employee Benefit Plan or any trust established under Title IV of ERISA has been or is expected to be incurred by Borrowers, any of their Subsidiaries or any of their ERISA Affiliates except to the extent reflected on the consolidated financial statements of the Lead Borrower and its Subsidiaries and the notes thereto. No ERISA Event has occurred or is reasonably expected to occur that would reasonably be expected to result in a Material Adverse Effect. Except to the extent required under Section 4980B of the Code or similar state laws, no Employee Benefit Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of Borrowers, any of their Subsidiaries or any of their respective ERISA Affiliates. The present value of the aggregate benefit liabilities under each Pension Plan sponsored, maintained or contributed to by the Borrowers, any of their Subsidiaries or any of their ERISA Affiliates (determined as of the end of the most recent plan year on the basis of the actuarial assumptions specified for funding purposes in the most recent actuarial valuation for such Pension Plan), did not exceed the aggregate current value of the assets of such Pension Plan. As of the most recent valuation date for each Multiemployer Plan for which the actuarial report is available, the potential liability of the Borrowers, their Subsidiaries and their respective ERISA Affiliates for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, based on information available pursuant to Section 4221(e) of ERISA is zero. The Borrowers, their Subsidiaries and each of their ERISA Affiliates have complied with the requirements of Section 515 of ERISA with respect to each Multiemployer Plan and are not in material "default" (as defined in Section 4219(c)(5) of ERISA) with respect to payments to a Multiemployer Plan.

4.21 Compliance with Health Care Laws.

(a) The Borrowers and their Subsidiaries, when taken as a whole, are in compliance in all material respects with all material Health Care Laws applicable to it, its products and its properties or other assets or its business or operation. Each of Borrowers and their Subsidiaries, taken as a whole, has in effect all material Governmental Authorizations necessary for it to carry on its business and operations, as presently conducted. All such Governmental Authorizations are in full force and effect and there exists no default under, or violation of, any such Governmental Authorization and neither Borrower nor any of their Subsidiaries has received notice or has knowledge that any Governmental Authority is considering limiting, suspending, terminating, adversely amending or revoking any such Governmental Authorization, in each case, except where the failure to be in full force and effect, and/or default, or violation or such notice would not reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on **Schedule 4.21**, all reports, documents, claims, notices or approvals required to be filed, obtained, maintained or furnished by the Borrowers and their Subsidiaries pursuant to any Health Care Law to any Governmental Authority have been so filed, obtained, maintained or furnished except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and all such reports, documents, claims and notices were complete and correct in all material respects on the date filed (or were or will be corrected in or supplemented by a subsequent filing).

(c) Each of the Borrowers and their Subsidiaries, to the extent that it is billing the related payor, has the requisite provider number or other Governmental Authorization to bill under Medicare, the respective Medicaid program in the state or states in which such entity operates, or Private Third Party Payor Programs (as defined below). There is no investigation, audit, claim review, or other action pending, or threatened to the knowledge of the Borrowers, which would result in a revocation, suspension, termination, probation, restriction, limitation, or non-renewal of any Governmental Third Party Payor or Private Third Party Payor (as defined below) provider number or result in any of the Borrowers' or any of their Subsidiaries' exclusion from any Governmental Third Party Payor Program or Private Third Party Payor Program which individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, a "**Governmental Third Party Payor**" means Medicare, Medicaid, TRICARE, state government insurers and any other person or entity which presently or in the future maintains Governmental Third Party Payor Programs. In addition, for purposes of this Agreement, "**Governmental Third Party Payor Programs**" means all governmental third party payor programs in which the Borrowers or any of their Subsidiaries participates (including, without limitation, Medicare, Medicaid, TRICARE or any other federal or state health care programs). For purposes of this Agreement, a "**Private Third Party Payor**" means private insurers and any other person or entity which presently or in the future maintains Private Third Party Payor Programs. In addition, for purposes of this Agreement, "**Private Third Party Payor Programs**" means all non-governmental third party payor programs in which the Borrowers or any of their Subsidiaries participate (including, without limitation, managed care plans, or any other private insurance programs).

(d) Each of the Borrowers and their Subsidiaries (i) has received and maintains accreditation to the extent required by law in good standing and without limitation or impairment by all applicable accrediting organizations, including without limitation, the Accreditation Commission for Health Care, Inc. or other applicable nationally recognized accrediting agency, and (ii) if applicable, has cured all deficiencies or submitted or will submit a plan of correction to cure all deficiencies noted in its most recent accreditation survey reports, except in the case of **clause (i)** and **(ii)** where the failure to require, maintain, cure or submit would not reasonably be expected to have a Material Adverse Effect.

(e) There are no facts, circumstances or conditions that, to the knowledge of the Borrowers, would reasonably be expected to form the basis for any valid investigation, suit, claim, audit, action (legal or regulatory) or proceeding (legal or regulatory) by a Governmental Authority relating to any of the Health Care Laws against or affecting the Borrowers and their Subsidiaries that would reasonably be expected to have a Material Adverse Effect. Except as disclosed on Schedule 4.21, neither Borrowers nor any of their Subsidiaries (i) is a party to a corporate integrity agreement, or (ii) has any reporting obligations pursuant to a settlement agreement, plan of correction, or other remedial measure entered into with any Governmental Authority. Each of the Borrowers and their Subsidiaries, as applicable, has complied with the terms and conditions of any corporate integrity agreements, settlement agreements, plans of correction, or other remedial measures or demand of any Governmental Authority to which it is subject except where non-compliance would not be expected to have a Material Adverse Effect.

(f) Neither Borrower nor any of their Subsidiaries or their respective officers, directors, employees or agents is, has been, or has been threatened to be, (i) excluded from any Governmental Third Party Payor Program pursuant to 42 U.S.C. § 1320a-7b and related regulations, or (ii) made a party to any other action by any Governmental Authority that may prohibit it from selling products to any governmental or other purchaser pursuant to any federal, state or local laws or regulations, except where the same would not reasonably be expected to have a Material Adverse Effect.

(g) To the extent applicable to the Borrowers or any of their Subsidiaries, and for so long as (i) the Borrowers or any of their Subsidiaries are a "covered entity" as defined in 45 C.F.R. § 160.103, (ii) the Borrowers or any of their Subsidiaries are a "business associate" as defined in 45 C.F.R. § 160.103, (iii) the Borrowers or any of their Subsidiaries are subject to or covered by the HIPAA Administrative Requirements codified at 45 C.F.R. Parts 160 & 162 (the "**Transactions Rule**") and/or the HIPAA Security and Privacy Requirements codified at 45 C.F.R. Parts 160 & 164 (the "**Privacy and Security Rules**"), and/or (iv) the Borrowers or any of their Subsidiaries sponsor any "group health plans" as defined in 45 C.F.R. § 160.103, the Borrowers and their Subsidiaries have: (A) completed surveys, inventories, reviews, analyses and/or assessments, including risk assessments, (collectively "**Assessments**") of all material areas of their businesses and operations subject to HIPAA and/or that would be materially and adversely affected by the failure of the Borrowers or any of their Subsidiaries, as the case may be, to the extent these Assessments are appropriate or required for the Borrowers or any of their Subsidiaries, as the case may be, to be HIPAA Compliant; (B) developed a plan and time line for becoming HIPAA Compliant (a "**HIPAA Compliance Plan**") and (C) implemented those provisions of its HIPAA Compliance Plan necessary for such Borrower and its Subsidiaries to be HIPAA Compliant except where non-compliance is not reasonably expected to have a Material Adverse Effect.

4.22 Projections. The projections of the Borrowers and their Subsidiaries on a consolidated basis for Fiscal Years 2014 through 2017 (the "**Projections**") that are set forth in the Confidential Information Memorandum were, as of the date made, based on good faith estimates and assumptions made by the management of the Lead Borrower; provided that the Projections are not to be viewed as facts and actual results of the Borrowers and their Subsidiaries on a consolidated basis for the period or periods covered by the Projections may differ from such Projections and the differences may be material; provided further, management of the Lead Borrower believes that the Projections, as of the date made, were reasonable and attainable.

4.23 USA PATRIOT Act.

(a) Neither the Borrowers nor any of their Subsidiaries or, to the knowledge of the Borrowers, any of their respective Affiliates over which any of the foregoing exercises management control (each, a "**Controlled Affiliate**") is a Prohibited Person, and the Borrowers, their Subsidiaries and, to the knowledge of the Borrowers, such Controlled Affiliates are in compliance with all applicable orders, rules and regulations of OFAC.

(b) Neither the Borrowers nor any of their Subsidiaries or, to the knowledge of the Borrowers, any of their respective Affiliates: (i) is targeted by United States or multilateral

economic or trade sanctions currently in force; (ii) is owned or controlled by, or acts on behalf of, any Person that is targeted by United States or multilateral economic or trade sanctions currently in force; (iii) is a Prohibited Person; or (iv) is named, identified or described on any list of Persons with whom U.S. Persons may not conduct business, including any such blocked persons list, designated nationals list, denied persons list, entity list, disbarred party list, unverified list, sanctions list or other such lists published or maintained by the United States, including OFAC, the United States Department of Commerce or the United States Department of State.

4.24 Embargoed Person.

(a) None of Borrowers' assets constitutes property of, or is beneficially owned, directly or indirectly, by any Person targeted by economic or trade sanctions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*, The Trading With the Enemy Act, 50 U.S.C. App. 1 *et seq.* (the "**Trading With the Enemy Act**"), any of the foreign assets control regulations of the Treasury (31 C.F.R., Subtitle B, Chapter V, as amended) (the **"Foreign Assets Control Regulations**") or any enabling legislation or regulations promulgated thereunder or executive order relating thereto (which includes, without limitation, (i) Executive Order No. 13224, effective as of September 24, 2001, and relating to Blocking Property and Prohibiting Transaction With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "**Executive Order**") and (ii) the USA PATRIOT Act, if the result of such ownership would be that any Loan made by any Lender would be in violation of law ("**Embargoed Person**");

(b) no Embargoed Person has any interest of any nature whatsoever in the Borrowers if the result of such interest would be that any Loan would be in violation of law;

(c) the Borrowers have not engaged in business with Embargoed Persons if the result of such business would be that any Loan made by any Lender would be in violation of law; and

(d) neither the Borrowers nor any Controlled Affiliate (i) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (ii) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person".

(e) For purposes of determining whether or not a representation is true or a covenant is being complied with under this **Section 4.24**, the Borrowers shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the beneficial owner of any collective investment fund.

4.25 Delivery of First Lien Loan Documents. As of the Closing Date, the Lead Borrower has delivered to the Arranger (or its counsel) true and correct copies of the First Lien Loan Documents (including any amendments thereto).

ARTICLE 5:
CONDITIONS PRECEDENT

5.1 Conditions to Extension of Credit. The agreement of each Lender to make the extension of credit requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) **Second Lien Credit Agreement and Related Documentation**. The Arranger shall have received (i) this Agreement, executed and delivered by the Administrative Agent, the Borrowers and each Person listed on **Schedule 1.1**, (ii) the Existing Facility Amendment, in form and substance reasonably acceptable to the Arranger, executed and delivered by the First Lien Administrative Agent, the Borrowers and the lenders party thereto, and substantially concurrently with the Closing Date all conditions to the effectiveness of such Existing Facility Amendment shall have been satisfied, (iii) the Guaranty Agreement and the Security and Pledge Agreement, each executed and delivered by the Borrowers and each Subsidiary party thereto, (iv) the Intercreditor Agreement, executed and delivered by the Borrowers, the Administrative Agent and the First Lien Administrative Agent, (v) the initial Notice of Borrowing in accordance with Section 2.2 and (vi) if requested by any Lender, a Note applicable to such Lender, executed and delivered by the Borrowers.

(b) **Agent Fee Letter**. The Administrative Agent shall have received (i) the Agent Fee Letter, executed and delivered by the Borrowers and (ii) copies of the documents referred to in Section 5.1(a) as requested by the Administrative Agent.

(c) **Financial Statements**. The Arranger and the Administrative Agent shall have received (i) satisfactory audited consolidated financial statements of the Borrowers for the 2012 and 2013 Fiscal Years and (ii) satisfactory unaudited interim consolidated financial statements of the Borrowers for each Fiscal Quarter ended after the date of the latest applicable financial statements delivered pursuant to **clause (i)** of this paragraph as to which such financial statements are available.

(d) **Projections**. The Arranger shall have received the Projections.

(e) **Approvals**. All material governmental and third party approvals necessary in connection with the continuing operations of the Group Members and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(f) **Lien Searches**. The Arranger shall have received the results of a recent lien search in each of the jurisdictions where the Loan Parties are domiciled, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted or created by the Loan Documents or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(g) **Fees**. The Lenders, the Arranger and the Administrative Agent shall have received all fees required to be paid, and all expenses for which invoices have been presented (including the reasonable fees and expenses of legal counsel), on or before the Closing Date, including a closing fee for the account of each Lender equal to 2.50% of the aggregate principal amount of Term Loans made by or on behalf of such Lender on the Closing Date. At the Arranger's option, all such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the funding instructions given by the Borrowers to the Administrative Agent on or before the Closing Date. Any fees received by the Arranger in connection with the transactions described under this Agreement shall be documented pursuant to a separate agreement.

(h) **Good Standing Certificates; Organizational and Authority Documents**. The Administrative Agent and Arranger shall have received (i) a certificate of good standing (or equivalent) for each Loan Party from its jurisdiction of organization and (ii) such other documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, the authorization of the transactions contemplated hereby, the authority of any natural Person executing any of the Loan Documents on behalf of any Loan Party and any other legal matters relating to the Loan Parties, this Agreement or the transactions contemplated to occur on the Closing Date, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel (including a customary closing certificate certifying as to the satisfaction of conditions 5.1(e), (m) and (n)).

(i) **Legal Opinions**. The Arranger shall have received the executed legal opinions of (i) King & Spalding, Delaware and New York counsel to the Borrowers and their Subsidiaries, (ii) Kantrow Spaht Weaver & Blitzer (APLC), Louisiana counsel to the Borrowers and their Subsidiaries and (iii) in-house counsel to the Borrowers and their Subsidiaries, which opinions shall cover such other matters incident to the transactions contemplated by this Agreement as the Arranger may reasonably require.

(j) **Insurance**. The Arranger and the Administrative Agent shall have received insurance certificates indicating the coverages required by **Exhibit F**.

(k) **Security Interest**.

(i) The Arranger shall have received confirmation from the First Lien Administrative Agent that it has received: (i) the certificates representing the shares of Capital Stock pledged pursuant to the Security and Pledge Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged to the Administrative Agent pursuant to the Security and Pledge Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(ii) Each document (including any uniform commercial code financing statement) required by the Security Documents or under law or reasonably requested by the Arranger to be filed, registered or recorded in order to create in favor of the

Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall be in proper form for filing, registration or recordation.

(l) **Compliance**. The Administrative Agent and Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information requested by and that may be required by the Lenders in order to enable compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act and the information required pursuant to **Section 10.18**.

(m) **Representations and Warranties**. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date, other than any such representations or warranties that, by their express terms, refer to a specific date other than such Borrowing Date or issuance or renewal, in which case as of such specific date.

(n) **No Default**. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

For the purpose of determining compliance with the conditions specified in this **Section 5.1**, each Lender that has signed this Agreement shall be deemed to have accepted, and to be satisfied with, each document or other matter required under this **Section 5.1** unless the Administrative Agent shall have received written notice from such Lender prior to the proposed Closing Date specifying its objection thereto. The borrowing by the Borrowers hereunder shall constitute a representation and warranty by the Borrowers on the date hereof that the conditions contained in this **Section 5.1** have been satisfied.

ARTICLE 6:
AFFIRMATIVE COVENANTS

The Borrowers hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder or under any of the other Loan Documents, each of the Lead Borrower and the Co-Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days after the end of each Fiscal Year, a copy of the audited consolidated balance sheet of the Lead Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by a Nationally Recognized Accounting Firm; and

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, the unaudited consolidated balance sheet of the Lead Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the Fiscal Year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

Documents required to be delivered pursuant to **Sections 6.1** and **6.2** may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which (a) the Borrowers post such documents, or provide a link thereto, on the Borrowers' website on the Internet at *www.amedisys.com*, provided the Borrowers shall have given notice to the Administrative Agent of the availability of such documents on the Borrowers' website or (b) such documents are delivered to the Administrative Agent. The Administrative Agent shall post such documents on the Borrowers' behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that the Borrowers shall deliver such documents in a form acceptable to the Administrative Agent; provided further that Borrowers shall be obligated to pay for all start-up and on-going maintenance costs associated with such Internet or intranet website. Except for the Compliance Certificates, the Administrative Agent shall have no obligation to maintain copies of the documents referred to above or below, and in any event shall have no responsibility to monitor compliance by the Borrowers with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

6.2 Certificates; Other Information. Furnish to the Administrative Agent and each Lender (or, in the case of **clause (g)**, the relevant Lender):

(a) concurrently with the delivery of the financial information referred to in **Section 6.1(a)**, a certificate from a Nationally Recognized Accounting Firm reporting on such financial statements stating that in the course of the regular audit of the business of the Lead Borrower and its Subsidiaries, which audit was conducted by such Nationally Recognized Accounting Firm in accordance with generally accepted auditing standards, such Nationally Recognized Accounting Firm has obtained no knowledge that a Default of a financial nature under **Section 7.1**, **7.2** or **7.7** has occurred and is continuing, or if, in the opinion of such Nationally Recognized Accounting Firm, a Default of a financial nature under **Section 7.1**, **7.2** or **7.7** has occurred and is continuing, a statement as to the nature thereof;

(b) concurrently with the delivery of any financial information pursuant to **Section 6.1**, (i) a certificate of a Responsible Officer stating that, to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in

this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by the Lead Borrower and its Subsidiaries with the provisions of this Agreement referred to therein as of the last day of the Fiscal Quarter or Fiscal Year, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, (1) a description of any change in the jurisdiction of organization of any Loan Party, and (2) a description of any Person that has become a Group Member, in each case since the date of the most recent report delivered pursuant to this **clause (y)** (or, in the case of the first such report so delivered, since the Closing Date);

(c) as soon as available, and in any event no later than January 31 of each Fiscal Year (or, if earlier, ten (10) Business Days after approval by the Board of Directors of the Lead Borrower), a detailed consolidated financial forecast for the following Fiscal Year (including a projected consolidated balance sheet of the Borrowers and their Subsidiaries as of the end of the following Fiscal Year, the related consolidated statements of projected cash flow and projected income and a description of the underlying assumptions applicable thereto);

(d) promptly after the effectiveness thereof, copies of any amendment, supplement, waiver or other modification with respect to the First Lien Loan Documents;

(e) (i) promptly upon becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event, a written notice specifying the nature thereof, what action the Lead Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates has taken, is taking or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, the Department of Labor or the PBGC with respect thereto; and (ii) with reasonable promptness, copies of (x) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by the Lead Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates with the Internal Revenue Service with respect to each Pension Plan; (y) all notices received by the Lead Borrower, any of its Subsidiaries or any of their respective ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event; and (z) copies of such other documents or governmental reports or filings relating to any Employee Benefit Plan as Administrative Agent shall reasonably request;

(f) within five days after the same are sent, copies of all financial statements and reports that the Borrower sends to the holders of any class of its debt securities or public equity securities;

(g) promptly upon any Responsible Officer obtaining knowledge of a tax event or liability not previously disclosed in writing by the Lead Borrower to Administrative Agent which would reasonably be expected to result in a Material Adverse Effect, written notice thereof together with such other information as may be reasonably available to the Lead Borrower to enable Lenders and their counsel to evaluate such matters;

(h) promptly upon the occurrence or receipt thereof or any Responsible Officer obtaining knowledge thereof, as the case may be:

(i) (A) any written recommendation from any Governmental Authority or other regulatory body to the Borrowers or any of their Subsidiaries regarding any Governmental Authorizations, Governmental Third Party Payor Program providers; (B) any written notice regarding any accreditations or supplier numbers that have been suspended, revoked, or limited in any way, or (C) notification of any penalties or sanctions imposed that, in the case of any of (A), (B) or (C), are material to the Borrowers and their Subsidiaries, taken as a whole;

(ii) notice of termination of eligibility to participate in any reimbursement program of any Governmental Third Party Payor Program that is material to the Borrowers and their Subsidiaries, taken as a whole;

(iii) the occurrence of any reportable event under any settlement agreement or corporate integrity agreement entered into by the Borrowers or any of their Subsidiaries with any Governmental Authority;

(iv) notice that an officer, manager or employee of the Borrowers or any of their Subsidiaries: (A) has had a civil monetary penalty assessed against him or her pursuant to 42 U.S.C. § 1320a-7a or is the subject of a proceeding seeking to assess such penalty; (B) has been excluded from participation in a Federal Health Care Program (as that term is defined in 42 U.S.C. § 1320a-7b) or is the subject of a proceeding seeking to assess such penalty; (C) has been convicted (as that term is defined in 42 C.F.R. § 1001.2) of any of those offenses described in 42 U.S.C. § 1320a-7b or 18 U.S.C. §§ 669, 1035, 1347 or 1518 or is the subject of a proceeding seeking to assess such penalty; or (D) has been involved or named in a U.S. Attorney complaint made or any other action taken pursuant to the federal False Claims Act or a qui tam action; and

(v) copies of any report or communication from any Governmental Authority in connection with any inspection of any facility of the Borrowers or any of their Subsidiaries other than those which are routine and non-material to the Borrowers and their Subsidiaries taken as a whole; and

(i) promptly, such additional information with respect to the business, condition (financial or otherwise), operations, performance, properties or prospects of the Lead Borrower and its Subsidiaries as the Administrative Agent or any Lender (acting through the Administrative Agent) may from time to time reasonably request.

6.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

6.4 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by **Section 7.4** and except to the extent that a

Person's Board of Directors has determined that the preservation thereof is no longer desirable in the conduct of the business of such Person and the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. The Borrowers will maintain or cause to be maintained, with financially sound and reputable insurers (a) business interruption insurance and (b) casualty insurance, public liability insurance, third party property damage insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of the Borrowers and their Subsidiaries as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as shall be customary for such Persons.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all financial dealings and transactions in relation to its business and activities and (b) permit representatives of the Administrative Agent or any Lender at reasonable times to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers and employees of the Group Members and with their independent certified public accountants.

6.7 Notices. Promptly give written notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) (i) the institution of any Adverse Proceeding not previously disclosed in writing by the Lead Borrower to Lenders, or (ii) any material development in any Adverse Proceeding that, in the case of either **clause (i)** or **(ii)**, is reasonably expected to result in damages not otherwise covered by insurance in excess of $5,000,000, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Lead Borrower to enable Lenders and their counsel to evaluate such matters;

(d) the following events, as soon as possible and in any event within 30 days after the Borrowers know or have reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, the creation of any

Lien in favor of the PBGC or a Plan or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Plan; and

(e) any development or event that has caused, either in any case or in the aggregate, or is reasonably expected to have a Material Adverse Effect.

Each notice pursuant to this **Section 6.7** shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

6.8 Environmental Laws.

(a) Comply in all material respects with, and require other Persons occupying or operating and property of the Borrowers and their Subsidiaries, if any, to comply in all material respects with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and require other Persons occupying or operating and property of the Borrowers and their Subsidiaries, if any, to obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

6.9 Further Assurances. At any time or from time to time upon the request of Administrative Agent, each Loan Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as Administrative Agent may reasonably request in order to effect fully the purposes of the Loan Documents. In furtherance and not in limitation of the foregoing, each Loan Party shall take such actions as Administrative Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Guarantors.

6.10 Guarantors; New Subsidiaries.

(a) The Borrowers will at all times provide Guaranty Agreements from (i) their Wholly-Owned Subsidiaries such that for the most recently ended trailing four Fiscal Quarter period (A) the Consolidated Adjusted EBITDA that is attributable only to the Wholly-Owned Subsidiary Guarantors is not less than 95% of the Consolidated Adjusted EBITDA that is attributable to all of the Lead Borrower's Wholly-Owned Subsidiaries and (B) the aggregate Net Revenues of the Wholly-Owned Subsidiary Guarantors (excluding any contribution to Net Revenues from Subsidiaries that are not Wholly-Owned Subsidiaries) do not constitute less than 95% of the aggregate Net Revenues of all of the Wholly-Owned Subsidiaries of the Lead Borrower (excluding any contribution to Net Revenues from Subsidiaries that are not Wholly-Owned Subsidiaries) and (ii) any other Subsidiary that is a guarantor of the First Lien

Obligations. In addition to the foregoing, the Borrowers will at all times provide Guaranty Agreements from their Subsidiaries such that for the most recently ended trailing four Fiscal Quarter period the Consolidated Adjusted EBITDA that is attributable only to the Guarantors is not less than 70% of Consolidated Adjusted EBITDA.

(b) Within thirty days after the Borrowers create or acquire a new Subsidiary that is required to be a Guarantor pursuant to **paragraph (a)** above, the Borrowers shall (i) cause such new Subsidiary to become a Guarantor by executing and delivering to the Administrative Agent a Guaranty Agreement, (ii) cause such new Subsidiary to grant a security interest in all Collateral owned by such new Subsidiary by executing and delivering to Administrative Agent a Joinder Agreement and to comply with the terms of the Security and Pledge Agreement, (iii) subject to the Intercreditor Agreement, deliver to the Administrative Agent such original Capital Stock or other certificates and stock or other transfer powers evidencing the Capital Stock of such new Subsidiary and (iv) deliver such documents and certificates as are similar to those described in **Section 5.1(h)**, together with such other documents relating to such new Subsidiary as the Administrative Agent shall reasonably request in order to comply with the requirements of this Section and of the Security and Pledge Agreement. With respect to each new Subsidiary, whether or not such Subsidiary is required to provide a Guaranty Agreement pursuant to **paragraph (a)** above, the Borrowers shall promptly send to Administrative Agent written notice setting forth with respect to such Person (i) the date on which such Person became a Subsidiary of the Borrowers and (ii) all of the data required to be set forth in **Schedule 4.15** with respect to all Subsidiaries of the Borrowers; provided, such written notice shall be deemed to supplement **Schedule 4.15** for all purposes hereof.

6.11 Compliance Program. Each of the Borrowers and their Subsidiaries shall (a) to the extent necessary, review and revise its policies and procedures to provide continuing compliance with all applicable Health Care Laws, (b) maintain appropriate programs and procedures for communicating such policies and procedures to all officers, directors and employees of the Borrowers and their Subsidiaries, (c) provide that all officers, directors and employees of the Borrowers and their Subsidiaries are able to report violations of any Health Care Laws, and (d) provide that such reported violations are adequately addressed and corrected as soon as practicable.

6.12 Condition of Participation in Third Party Payor Programs. To the extent applicable to the Borrowers and their Subsidiaries in the conduct of their business, each of the Borrowers and their Subsidiaries shall maintain its qualification for participation in, and payment under, Governmental Third Party Payor Programs and Private Third Party Payor Programs, that provide for payment or reimbursement for services, except to the extent such loss or relinquishment would not reasonably be expected to have a Material Adverse Effect. The Borrowers and their Subsidiaries shall promptly furnish or cause to be furnished to Administrative Agent and Lenders copies of all material reports and correspondence, if any, it sends or receives relating to any material loss or revocation (or material threatened loss or revocation) of any qualification described in this **Section 6.12**.

6.13 Payment of Taxes and Claims. Each Loan Party will, and will cause each of its Subsidiaries to, pay all federal income taxes and all other Taxes (excluding such other Taxes with respect to which the failure to pay would not result in the loss, suspension, or impairment of

any material Governmental Authorization, and otherwise would not reasonably be expected to have a Material Adverse Effect) imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto, except where the failure to pay any such claims prior to such time would not result in a Material Adverse Effect; provided, no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor. No Loan Party will, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income Tax return with any Person (other than the Borrowers or any of their Subsidiaries).

6.14 **[Reserved]**.

6.15 **[Reserved]**.

6.16 Use of Proceeds. The proceeds of the Initial Term Loan shall be used for general corporate purposes of the Lead Borrower and its Subsidiaries, including the repayment of certain First Lien Loans under the First Lien Credit Agreement.

ARTICLE 7:
NEGATIVE COVENANTS

The Borrowers hereby jointly and severally agree that, so long as the Commitments remain in effect or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of the Borrowers shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) **Total Leverage Ratio; First Lien Leverage Ratio**.

(i) The Borrowers and their Subsidiaries will not permit the Total Leverage Ratio as of the last day of any Fiscal Quarter to be greater than (A) 4.3125 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (B) 4.025 to 1.0 for the Fiscal Quarter ending December 31, 2014 and for the Fiscal Quarter ending March 31, 2015, (C) 3.7375 to 1.0 for the Fiscal Quarter ending June 30, 2015 and for the Fiscal Quarter ending September 30, 2015 and (D) 3.45 to 1.0 for each Fiscal Quarter ending thereafter.

(ii) The Borrowers and their Subsidiaries will not permit the First Lien Leverage Ratio as of the last day of any Fiscal Quarter to be greater than (A) 2.875 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (B) 2.5875 to 1.0 for the Fiscal Quarter ending December 31, 2014 and for the Fiscal Quarter ending March 31, 2015 and (C) 2.30 to 1.0 for each Fiscal Quarter ending thereafter.

(iii) With respect to any rolling four quarter period during which a Material Asset Sale, a Material Acquisition or, in the Lead Borrower's discretion, any other Permitted Acquisition has occurred (each, a "**Subject Transaction**"), for purposes of determining compliance with the Total Leverage Ratio and the First Lien Leverage Ratio, Consolidated Adjusted EBITDA shall be calculated on a pro forma basis (without duplication) giving effect to such Subject Transaction as if it had been consummated or incurred or repaid at the beginning of the relevant four quarter period. The determination of such pro forma Consolidated Adjusted EBITDA shall be further modified pursuant to **Section 7.1(c)(i)**.

(b) **Fixed Charge Coverage Ratio**. The Borrowers and their Subsidiaries will not permit the Fixed Charge Coverage Ratio as of the last day of any Fiscal Quarter to be less than (i) 0.96 to 1.0 for the Fiscal Quarter ending June 30, 2014 and for the Fiscal Quarter ending September 30, 2014, (ii) 1.0 to 1.0 for the Fiscal Quarter ending December 31, 2014, (iii) 1.04 to 1.0 for the Fiscal Quarter ending March 31, 2015 and for the Fiscal Quarter ending June 30, 2015 and (iv) 1.09 to 1.0 for each Fiscal Quarter ending thereafter.

(c) (i) For purposes of determining compliance with the financial covenants set forth in this **Section 7.1**, in the determination of Consolidated Adjusted EBITDA, the following items shall be added back to Consolidated Net Income for such four quarter period, to the extent deducted from revenues in the determination thereof and to the extent such items arise out of events which are directly attributable to a Subject Transaction, are factually supportable and are expected to have an immediate and a continuing impact: severance costs, retention costs, consultant expenses, closure of facilities, Legacy Costs and other similar restructuring and non-recurring charges incurred in connection with the Subject Transaction (such other restructuring and non-recurring charges not specifically listed in the preceding phrase to be subject to the approval of the Administrative Agent); provided, however, that Legacy Costs shall not exceed $5,000,000 during the term of the Loans.

(ii) With respect to any rolling four quarter period during which a Subject Transaction has occurred, for purposes of calculating the Fixed Charge Coverage Ratio, Consolidated Adjusted EBITDAR for such four quarter period shall be calculated, to the extent comprised of Consolidated Adjusted EBITDA, by computing Consolidated Adjusted EBITDA for such four quarter period in the manner set forth in **Section 7.1(c)(i).**

(iii) The failure of the Lead Borrower to include a Permitted Acquisition in the pro forma calculations permitted to this **Section 7.1** for any four quarter period shall not preclude the Lead Borrower from including such Permitted Acquisition in the calculation for any other four quarter period including the quarter in which such Permitted Acquisition occurred.

(iv) The pro forma adjustments calculated pursuant to **Section 7.1** shall be set forth and certified by a Responsible Officer.

7.2 Indebtedness. Create, issue, incur, assume, become liable in respect of or suffer or permit to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of the Borrowers to each other or to any Subsidiary and of any Guarantor to the Borrowers or any other Subsidiary;

(c) Indebtedness of any Subsidiary that is not a Guarantor to any other Subsidiary that is not a Guarantor;

(d) Guarantee Obligations incurred in the ordinary course of business by the Borrowers or any of their respective Subsidiaries of obligations of any Wholly-Owned Subsidiary Guarantor;

(e) Indebtedness outstanding on the Closing Date and listed on **Schedule 7.2**, but not any extensions, renewals or replacements of such Indebtedness except (i) renewals and extensions expressly provided for in the agreements evidencing any such Indebtedness as the same are in effect on the Closing Date or (ii) refinancings and extensions of any such Indebtedness if the terms and conditions thereof are not more favorable to the lenders than the terms and conditions provided by the lenders of the existing Indebtedness, and the average life to maturity thereof is greater than or equal to that of the Indebtedness being refinanced or extended; provided, such Indebtedness permitted under the immediately preceding **clause (i)** or **(ii)** above shall not (A) include Indebtedness of an obligor that was not an obligor with respect to the Indebtedness being extended, renewed or refinanced, (B) exceed in a principal amount the Indebtedness being renewed, extended or refinanced or (C) be incurred, created or assumed if any Default or Event of Default has occurred and is continuing or would result therefrom; and any refinancings, refundings, renewals or extensions thereof (without increasing, or shortening the maturity of, the principal amount thereof);

(f) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by **Section 7.3(g)** in an aggregate principal amount not to exceed $5,750,000 at any one time outstanding;

(g) Indebtedness arising from a sale and leaseback of all or a portion of the Corporate Headquarters;

(h) additional Indebtedness of the Borrowers or any of their Subsidiaries in an unsecured aggregate principal amount (for the Borrowers and all Subsidiaries) not to exceed $23,000,000 at any one time outstanding, excluding Indebtedness permitted by **clause (o)** below;

(i) (i) Indebtedness of a Person that becomes a Subsidiary or Indebtedness incurred to finance assets of a Person that are acquired by the Borrowers or any of their Subsidiaries, in either case, as the result of a Permitted Acquisition in an aggregate amount not to exceed at any time $23,000,000; provided that (x) such Indebtedness existed at the time such Person became a Subsidiary or at the time such assets were acquired by the Borrowers or any of their Subsidiaries and, in each case, was not created in anticipation thereof and (y) such Indebtedness is not guaranteed in any respect by the Borrowers or any of their Subsidiaries (other than by any such Person that so becomes a Subsidiary), and (ii) any refinancing, refunding, renewal or extension of any Indebtedness specified in **Section 7.2(f)** or **subclause (i)** of this **Section 7.2(i)**; provided, that (1) the principal

amount of any such Indebtedness is not increased above the principal amount thereof outstanding immediately prior to such refinancing, refunding, renewal or extension, (2) the direct and contingent obligors with respect to such Indebtedness are not changed and (3) such Indebtedness shall not be secured by any assets other than the assets securing the Indebtedness being renewed, extended or refinanced;

(j) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with deposit accounts;

(k) Indebtedness in respect of earnouts in connection with Permitted Acquisitions;

(l) Indebtedness in respect of Specified Swap Agreements;

(m) other secured Indebtedness of the Borrowers or any of their Subsidiaries in an aggregate amount not to exceed at any time $5,750,000 in addition to Indebtedness described in **Schedule 7.2**;

(n) Indebtedness in respect of the Lead Borrower's non-qualified deferred compensation plan (as defined in § 409A(d)(1) of the Code and related regulations thereunder) to the extent the assets of such plan are reflected on the consolidated balance sheet of the Lead Borrower and its Subsidiaries;

(o) Indebtedness of any Subsidiary that is not a Guarantor to the Borrowers or Guarantors in an aggregate amount not to exceed at any time $46,000,000;

(p) the First Lien Obligations (including guarantees thereof), it being agreed the amount of First Lien Loans plus First Lien L/C Obligations shall not exceed $265,000,000 at any time outstanding; and

(q) unsecured Indebtedness of the Borrowers or any of their Subsidiaries owed to sellers in connection with Permitted Acquisitions in an aggregate principal amount not to exceed $23,000,000 at any time; provided that no such Indebtedness shall require the Borrowers or any of their Subsidiaries to comply with any financial covenants.

Notwithstanding anything in this Section 7.2 to the contrary, Subsidiaries that are non-Guarantors may not incur Indebtedness for borrowed money under this Section 7.2 (other than pursuant to **clause (o)** above) in an aggregate amount outstanding at any time in excess of $5,000,000.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, provided that adequate reserves with respect thereto are maintained on the books of the Borrowers or their Subsidiaries, as the case may be, in conformity with GAAP;

(b) statutory Liens of landlords, banks (and rights of set-off), of carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law (other than any such Lien imposed pursuant to Section 401(a)(29) or 412(n) of the Code or by ERISA), in each case incurred in the ordinary course of business (i) for amounts not yet overdue or (ii) for amounts that are overdue and that (in the case of any such amounts overdue for a period in excess of five (5) days) are being contested in good faith by appropriate proceedings, so long as such reserves or other appropriate provisions, if any, as shall be required by GAAP shall have been made for any such contested amounts;

(c) Liens incurred in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness);

(d) any interest or title of a lessor under any lease entered into by the Borrowers or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrowers or any of their Subsidiaries;

(f) Liens in existence on the Closing Date listed on **Schedule 7.3**, securing Indebtedness permitted by **Section 7.2(e)**, provided that no such Lien is spread to cover any additional property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Borrower or any other Subsidiary incurred pursuant to **Section 7.2(f)** to finance the acquisition of property, provided that (i) such Liens shall be created or assumed substantially simultaneously with the acquisition of such property, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

(h) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(i) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(j) any zoning or similar law or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(k) licenses of patents, trademarks and other Intellectual Property rights granted by the Borrowers or any of their Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of the Borrowers or such Subsidiary;

(l) Liens consisting of judgment or judicial attachment liens with respect to judgments that do not constitute an Event of Default under **Article 8**;

(m) Liens related to Indebtedness permitted under **Section 7.2(m)** not otherwise permitted by this Section so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrowers and all Subsidiaries) $5,750,000 at any one time;

(n) Liens in favor of the Administrative Agent created by this Agreement and the Security and Pledge Agreement; and

(o) Liens securing the First Lien Obligations as permitted by the Intercreditor Agreement.

Notwithstanding anything in this Section 7.3 to the contrary, no Indebtedness for borrowed money shall be permitted to be secured under this Section 7.3 if after giving pro forma effect thereto the Secured Leverage Ratio exceeds 4.3125 to 1.00.

7.4 Fundamental Changes; Disposition of Assets; Acquisitions. No Loan Party shall, nor shall it permit any of its Subsidiaries to, enter into any transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease or sublease (as lessor or sublessor), transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, or acquire by purchase or otherwise (other than purchases or other acquisitions of inventory, materials and equipment in the ordinary course of business) the business, property or fixed assets of or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, or become a general partner in any partnership, except:

(a) any Subsidiary of the Lead Borrower may be merged or consolidated with or into the Borrowers or any other Subsidiary of the Lead Borrower, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to the Borrowers or to a Guarantor; provided that, in the case of any merger or consolidation involving a Wholly-Owned Subsidiary, the Person formed by such merger or consolidation shall be a Wholly-Owned Subsidiary of the Borrowers; provided, further that, in the case of any such merger or consolidation to which a Guarantor is a party, the Person formed by such merger or consolidation shall be a Guarantor;

(b) sales or other Dispositions of assets that do not constitute Asset Sales;

(c) (i) Asset Sales pending as of the Closing Date and described on **Schedule 7.4** and (ii) other Asset Sales not permitted by any other clause of this **Section 7.4** made after the Closing Date, the proceeds of which (valued at the principal amount thereof in the case of non-cash proceeds consisting of notes or other debt Securities and valued at fair market value in the case of other non-cash proceeds) when aggregated with the proceeds of all other Asset Sales made pursuant to this **clause (ii)** after the Closing Date and prior to the date of determination, are less than $34,500,000; provided, in the case of Asset Sales made pursuant to this **clause (ii)**, (A) the

consideration received for such assets shall be in an amount at least equal to the fair market value thereof (if the value is greater than $5,000,000, as determined in good faith by the Board of Directors of the Lead Borrower) and (B) no less than 70% of such consideration shall be paid in cash or in Cash Equivalents;

(d) disposals of obsolete, worn out or surplus property;

(e) (i) Permitted Acquisitions, the consideration for which may be in any amount, so long as at the time of such Permitted Acquisition and after giving pro forma effect thereto (including any Indebtedness incurred in connection therewith), (A) the Total Leverage Ratio is less than 2.75 to 1.0 and (B) no Default or Event of Default shall have occurred and be continuing and (ii) Permitted Acquisitions for an aggregate consideration of up to $23,000,000 in any Fiscal Year if, at the time of such Permitted Acquisition and after giving pro forma effect thereto (including any Indebtedness incurred in connection therewith), (A) the Total Leverage Ratio is equal to or greater than 2.75 to 1.0 and (B) no Default or Event of Default shall have occurred and be continuing;

(f) Investments made in accordance with **Section 7.7**;

(g) (i) Asset Sales by the Borrowers or Guarantors to any of their Subsidiaries that are not Guarantors or to any Person in which the Borrowers or one or more Wholly-Owned Subsidiaries of the Borrowers own or will own upon consummation of the Asset Sale 50% of the Capital Stock of such Person and (ii) Dispositions of no more than 50% of the Capital Stock of a Wholly-Owned Subsidiary that is not a Guarantor to any Person; provided (A) the consideration received for such assets or Dispositions in the case of the foregoing **clauses (i)** and **(ii)**, as applicable, shall be in an amount at least equal to the fair market value thereof (if the value is greater than $5,000,000, as determined in good faith by the Board of Directors of the Lead Borrower) and (B) the aggregate fair market value of the assets sold or otherwise disposed of pursuant to this **Section 7.4(g)** from and after November 11, 2013 shall not exceed $11,500,000 during the term of this Agreement;

(h) Asset Sales among the Loan Parties; and

(i) Asset Sales among Subsidiaries of the Borrowers that are not Guarantors.

(j) the sale and leaseback of the Corporate Headquarters in accordance with **Section 7.9**.

7.5 Clauses Restricting Subsidiary Distributions. Except as provided herein, in any other Loan Document, in the First Lien Loan Documents or pursuant to the organizational documents of any Subsidiary that is not a Wholly-Owned Subsidiary, no Loan Party shall, nor shall it permit any of its Subsidiaries to, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of the Lead Borrower to:

(a) pay dividends or make any other distributions on any of such Subsidiary's Capital Stock owned by the Lead Borrower or any other Subsidiary of the Lead Borrower; or

(b) repay or prepay any Indebtedness owed by such Subsidiary to the Lead Borrower or any other Subsidiary of the Lead Borrower.

7.6 Restricted Payments. No Loan Party shall, nor shall it permit any of its Subsidiaries or Affiliates through any manner or means or through any other Person to, directly or indirectly, declare, order, pay, make or set apart, or agree to declare, order, pay, make or set apart, any sum for any Restricted Payment except that:

(a) the Lead Borrower may make Restricted Payments in an aggregate amount during the term hereof not to exceed at the time of such Restricted Payment, (i) 50% of Consolidated Net Income for each Fiscal Quarter ending on or after March 31, 2014, to the extent positive, minus (ii) 100% of Consolidated Net Income for each Fiscal Quarter ending on or after March 31, 2014, to the extent negative; provided, immediately prior to, and after giving pro forma effect to such Restricted Payment, (A) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (B) the Total Leverage Ratio is less than 2.50 to 1.0 and (C) Liquidity is greater than or equal to $50,000,000; and

(b) (i) any Subsidiary may make Restricted Payments to its direct parent to the extent its parent is a Borrower or any of their Subsidiaries and (ii) any such Subsidiary that is not a Wholly-Owned Subsidiary may make distributions to Persons that are not Loan Parties, pro rata to such Persons' ownership of such Subsidiary and concurrently with the making of distributions to the Loan Parties.

7.7 Investments. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person, except:

(a) Cash Equivalents;

(b) (i) equity Investments owned as of the Closing Date in any Wholly-Owned Subsidiary of the Borrowers, and (ii) Investments made after the Closing Date in Wholly-Owned Subsidiary Guarantors;

(c) (i) Investments in any Securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of the Borrowers or any of their Subsidiaries;

(d) intercompany Indebtedness to the extent permitted under **Section 7.2(b)**, **(c)** and **(o)**;

(e) Guarantee Obligations to the extent permitted under **Section 7.2(d)**;

(f) Consolidated Capital Expenditures in an amount not to exceed $40,250,000 in the Fiscal Year ending December 31, 2014 and in any Fiscal Year ending thereafter;

(g) Investments in assets useful in the business of the Borrowers and their Subsidiaries made by the Borrowers or any of their Subsidiaries with the proceeds of any Reinvestment Deferred Amount;

(h) loans and advances to employees of the Borrowers or any of their Subsidiaries made in the ordinary course of business in compliance with applicable Requirements of Law (including Section 402 of the Sarbanes-Oxley Act) in an aggregate principal amount not to exceed at any time $1,150,000;

(i) Investments made in connection with Permitted Acquisitions and Asset Sales, in each case, permitted pursuant to **Section 7.4**; and

(j) (i) equity Investments owned as of the Closing Date in Persons that are not Wholly-Owned Subsidiaries of the Borrowers, as described on **Schedule 7.7**, and (ii) other Investments not permitted by any other clause of this **Section 7.7** made after November 11, 2013 in Persons that are not Wholly-Owned Subsidiary Guarantors in an aggregate amount under this **clause (ii)** not to exceed at any time $34,500,000, net of amounts realized in respect of such Investments upon the sale, collection or return of capital (not to exceed the original amount invested).

7.8 Transactions with Affiliates. No Loan Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Lead Borrower or of any such Subsidiary, unless such transaction (a) has been disclosed in writing to the Administrative Agent, which notice shall contain a reference to this Section 7.8, and (b) is on terms that are no less favorable to the Lead Borrower or that Subsidiary, as the case may be, than those that might be obtained at the time from a Person who is not such an Affiliate; provided the foregoing restriction shall not apply to transactions existing as of the Closing Date and described on Schedule 7.8.

7.9 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member. Notwithstanding the foregoing, the Borrowers may enter into a sale and leaseback of the Corporate Headquarters so long as (i) 100% of the consideration for such sale shall be paid in cash or Cash Equivalents and (ii) the Net Cash Proceeds therefrom are applied in accordance with **Section 2.11**.

7.10 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrowers or any Subsidiary has actual exposure (other than those in respect of Capital Stock) and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrowers or any Subsidiary.

7.11 Changes in Fiscal Periods. No Loan Party shall, nor shall it permit any of its Subsidiaries to change its Fiscal Year-end from December 31. Any Subsidiary shall be permitted to change its Fiscal Year to that of the Lead Borrower.

7.12 Negative Pledge Clauses. Except with respect to (a) specific property encumbered to secure payment of particular Indebtedness or to be sold pursuant to an executed agreement with respect to a permitted Asset Sale, (b) customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), and (c) the Loan Documents and First Lien Loan Documents, no Loan Party nor any of its Subsidiaries shall enter into any agreement prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired.

7.13 Lines of Business. From and after the Closing Date, no Loan Party shall, nor shall it permit any of its Subsidiaries to, engage in any business other than (a) the businesses engaged or proposed to be engaged in (provided such proposal is in writing and disclosed to the Lenders) by such Loan Party on the Closing Date and similar or related businesses and (b) such other lines of business as may be consented to by Required Lenders.

7.14 No Foreign Subsidiaries or Certain Other Subsidiaries. No Loan Party shall, nor shall it permit any of its Subsidiaries to, create, acquire or otherwise own directly or indirectly:

(a) any Foreign Subsidiary; and

(b) from and after the Closing Date and except with respect to the Specified Entities and Immaterial Subsidiaries, any Subsidiary that is not a Wholly-Owned Subsidiary with respect to which the Borrowers have not obtained consents to the following actions from all of the owners of Capital Stock therein: (i) to pledge the Capital Stock of such Subsidiary owned by the Borrowers or any of their Subsidiaries to secure the Obligations and (ii) to admit the Administrative Agent or its designee as a substitute member or partner, as the case may be, following any foreclosure on such Capital Stock.

7.15 Specified Entities. The Borrowers shall not permit the aggregate Net Revenues of the Specified Entities to exceed 5.75% of the consolidated Net Revenues of the Lead Borrower (excluding any contribution to Net Revenues from Subsidiaries that are not Wholly-Owned Subsidiaries).

7.16 Covenant Regarding First Lien Collateral.

Neither the Borrowers nor any other Loan Party shall grant a Lien in favor of the First Lien Agent or otherwise securing the First Lien Obligations on any of its assets if those same assets are not subject to, and do not become subject to, a Lien securing the Obligations.

ARTICLE 8:
EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) the Borrowers shall fail to pay any principal of any Loan when due in accordance with the terms hereof; or the Borrowers shall fail to pay any interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within three Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) any Loan Party shall default in the observance or performance of any agreement contained in **clause (i)** or **(ii)** of **Section 6.4(a)** (with respect to Co-Borrower and Lead Borrower only), **Sections 6.7(a)**, **6.10(b)**, **6.16**, **7.1**, **7.4**, **7.5**, **7.6**, **7.7**, **7.10**, **7.11**, **7.12**, **7.13**, **7.14**, **7.15** and **7.16** of this Agreement; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in **paragraphs (a)** through **(c)** of this Section), and such default shall continue unremedied for a period of ten Business Days after the earlier of (i) notice to the Borrower from the Administrative Agent or the Required Lenders or (ii) a Responsible Officer becoming aware of such default; or

(e) any Group Member shall (i) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in **clause (i)**, **(ii)** or **(iii)** of this **paragraph (e)** shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in **clauses (i)**, **(ii)** and **(iii)** of this **paragraph (e)** shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $11,500,000; (provided that, if (and only so long as) all such failures to pay are in the nature of a setoff against purchase price adjustments or indemnities, in each case arising from seller financing permitted pursuant to this Agreement in connection with Permitted Acquisitions, then such $11,500,000 threshold amount shall be deemed to be $23,000,000); or

(f) (i) any Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or Insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with

respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Loan Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Loan Party any case, proceeding or other action of a nature referred to in **clause (i)** above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed or undischarged for a period of 60 days; or (iii) there shall be commenced against any Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Loan Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in **clause (i)**, **(ii)**, or **(iii)** above; or (v) any Loan Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Loan Party or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) any Loan Party or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in **clauses (i)** through **(vi)** above, such event or condition, together with all other such events or conditions, if any, has had or would reasonably be expected to have a Material Adverse Effect; or

(h) one or more judgments or decrees shall be entered against any Loan Party involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $11,500,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(i) at any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full of all Obligations, shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or the Intercreditor Agreement ceases to be in full force and effect (other than from the satisfaction in full of the Obligations (or First Lien Obligations, as applicable) in accordance with the terms hereof) or shall be declared null and void, or (iii) any Loan Party shall contest the validity or enforceability of any Loan Document in writing or deny in writing that it has any further liability, including with respect to future advances by Lenders, under any Loan Document to which it is a party; or

(j) a Change of Control shall occur; or

(k) the Borrowers or any of their Subsidiaries fail to (i) comply, in any material respect, with any Health Care Law or (ii) maintain any material Governmental Authorization, material accreditation or material Government Third Party Payor Program provider agreement, and, in each case, such failure will cause a Material Adverse Effect; or

(l) [Reserved]; or

(m) any Lien created by the Security and Pledge Agreement shall at any time fail to constitute a valid and (to the extent required by the Security and Pledge Agreement or as otherwise permitted under this Agreement) perfected Lien on any material portion of the collateral purported to be subject thereto, securing the obligations purported to be secured thereby, with the priority required by the Loan Documents, or any Loan Party shall so assert in writing, in each case other than as a result of action or inaction of the Administrative Agent or any Lender; or

(n) a default, event of default or similar event, however so defined under the terms thereof, shall occur under the settlement agreement between the Lead Borrower and the relevant Governmental Authority in respect of the U.S. Department of Justice Civil Investigative Demand Pursuant to False Claims Act and Stark Law Matters;

then, and in any such event, (A) if such event is an Event of Default specified in **clause (i)** or **(ii)** of **paragraph (e)** above with respect to the Borrowers, automatically the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, the following actions may be taken: with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrowers, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrowers.

ARTICLE 9:
THE AGENT

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, advisors, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and non- appealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy or email message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Borrowers), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent in accordance with Section 10.6. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or refusing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received written notice from a Lender, or the Borrowers referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed in writing by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Agent and Other Lenders. Each Lender expressly acknowledges that neither the Agent nor any of its respective officers, directors, employees, agents, advisors, attorneys-in-fact or Affiliates have made any representations or warranties to it and that no act by Agent hereafter taken, including any review of the affairs of a Loan Party or any Affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by Agent to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any Affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

9.7 Agent in Its Individual Capacity. Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though Agent were not the Administrative Agent hereunder. With respect to its Loans made or renewed by it, if any, Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Agent, and the terms "**Lender**" and "**Lenders**" shall include Agent in its individual capacity.

9.8 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon thirty days' notice to the Lenders and the Borrowers. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other

Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent shall (unless an Event of Default under **Section 8.1(a)** or **Section 8.1(f)** with respect to the Borrowers shall have occurred and be continuing) be subject to approval by the Borrowers (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "**Administrative Agent**" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is thirty days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this **Article 9** and of **Section 10.5** shall continue to inure to its benefit.

9.9 Agreement Regarding Collateral. Agent and each Lender each hereby appoints each other Lender as agent for the purpose of perfecting Liens (for the benefit of Agent and each of the Lenders) in any Collateral that, in accordance with applicable law, can be perfected only by possession. Should any Lender obtain possession of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor, shall deliver such Collateral to Agent or otherwise deal with such Collateral in accordance with Agent's instructions.

ARTICLE 10:
MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this **Section 10.1**. The Required Lenders and each Loan Party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive any portion of or reduce the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)) or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (ii) eliminate or reduce the voting rights of any

Lender under this **Section 10.1** or otherwise amend this **Section 10.1** in any manner adverse to any Lender without the written consent of such Lender; (iii) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrowers of any of their rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Guarantors from their obligations under the Guaranty Agreement, release all or a material portion of any Collateral, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of **Section 2.17** without the written consent of the Required Lenders; (v) reduce the percentage specified in the definition of Required Lenders without the written consent of all Lenders; or (vi) amend, modify or waive any provision of **Article 9** or any other provision of any Loan Document that affects the Administrative Agent without the written consent of the Administrative Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans and the accrued interest and fees in respect thereof and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that no such amendment, waiver or consent shall increase or extend the Commitment of such Defaulting Lender, forgive any portion of or reduce the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loans or reduce the stated amount of any interest or fee payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective with the consent of the Required Lenders)), in each case, without the consent of such Defaulting Lender.

10.2 Notices. Except in the case of notices and other communications expressly permitted by telephone (and except as provided below), all notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy or email with delivery confirmation), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand or by overnight courier service, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy or other electronic notice, when received, addressed as follows in the case of the Borrowers and the Administrative Agent, and as set forth in an administrative questionnaire

delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified (pursuant to the procedures set forth in this **Section 10.2**) by the respective parties hereto:

Borrowers:

Amedisys, Inc.
Amedisys Holding, L.L.C.
5959 South Sherwood Forest Blvd.
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer
Telephone: (225) 292-2031
Telecopy: (225) 292-8163
Email: dale.redman@amedisys.com

and:

Amedisys, Inc.
Amedisys Holding, L.L.C.
5959 South Sherwood Forest Blvd.
Baton Rouge, Louisiana 70816
Attention: Director, Treasury/Finance
Telephone: (225) 299-3665
Telecopy: (225) 295-9653
Email: david.castille@amedisys.com

with a copy to:

Kantrow Spaht Weaver & Blitzer (APLC)
P. O. Box 2997
Baton Rouge, Louisiana 70821-2997
Attention: Diane L. Crochet
Telephone: (225) 383-4703
Telecopy: (225) 343-0630
Email: diane@kswb.com

Administrative Agent:

Cortland Capital Market Services LLC
225 West Washington Street, Suite 2100
Chicago, Illinois 60606

Attention: Aslam Azeem and Legal Department
Telecopy: (312) 371-0751
Email: aslam.azeem@cortlandglobal.com and
legal@cortlandglobal.com

with a copy to:

Holland & Knight LLP
131 S. Dearborn Street, 30th Floor
Chicago, Illinois 60603

Attention: Joshua M. Spencer
Telephone: (312) 715-5709
Telecopy: (312) 578-6666
Email: joshua.spencer@hklaw.com

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to **Article 2** unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent, in its discretion, or the Borrowers, in their discretion, may agree to accept notices and other communications to it or them, as the case may be, hereunder by electronic communications pursuant to procedures approved by it or them, as the case may be; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

10.5 Expenses; Indemnification; Damage Waiver.

(a) **Costs and Expenses**. Each of the Borrowers, jointly and severally, shall pay (i) all reasonable out-of-pocket expenses incurred by the Arranger, the Administrative Agent and their Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the Facility, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modification or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) and (ii) all out-of-pocket expenses incurred by the Arranger, the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) **Indemnification by the Borrowers**. The Borrowers shall indemnify the Arranger, the Administrative Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursement of any counsel for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrowers or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property operated by the Borrowers or any of their Subsidiaries, or any Environmental Claim related in any way to the Borrowers or any of their Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrowers or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are found by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrowers or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This **Section 10.5(b)** shall not apply with respect to any Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) **Reimbursement by the Lenders**. To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under **paragraph (a)** or **(b)** of this Section to be paid by it to the Arranger, the Administrative Agent (or any sub-agent thereof) or any Related Party of the foregoing, each Lender severally agrees to pay to the Arranger, the Administrative Agent (or such sub-agent) or such Related Party, as the case may be, such Lender's Aggregate Exposure Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Aggregate Exposure Percentage of the Aggregate Exposures at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Arranger or the Administrative Agent (or any such sub-agent) in their capacity as such, or against any Related Party of any of the foregoing acting for the Arranger or the Administrative Agent (or any such sub-agent) in connection with such capacity.

(d) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by applicable law, the Borrowers shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in **paragraph (b)** above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) **Payments**. All amounts due under this **Section 10.5** shall be payable not later than 10 days after written demand therefor.

(f) **Survival**. The agreements in this **Section 10.5** shall survive repayment of the Loans and all other amounts payable hereunder.

10.6 Successors and Assigns; Participations and Assignments

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) neither Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any attempted assignment or transfer by any Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b) (i) Subject to the conditions set forth in **paragraph (b)(ii)** below, any Lender may assign to one or more assignees (each, an "**Assignee**") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, of:

(A) the Borrowers, provided that (1) no consent of the Borrowers shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person; and (2) the Borrowers shall be deemed to have consented to any such assignment unless they shall object thereto by written notice to the Administrative Agent within five Business Days after having received written notice thereof; and

(B) the Administrative Agent; provided that no consent of the Administrative Agent shall be required for an assignment of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining

amount of the assigning Lender's Commitments or Loans under the Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $300,000 unless each of the Borrowers and the Administrative Agent otherwise consent, provided that (1) no such consent of the Borrowers shall be required if an Event of Default has occurred and is continuing and (2) such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with (other than as waived by the Administrative Agent in its sole discretion) a processing and recordation fee of $3,500;

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire in which the Assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrowers and their Affiliates and their Related Parties or their respective Securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws; and

(D) no assignment shall be made to (1) a natural Person, (2) the Lead Borrower or any of its Affiliates or Subsidiaries or (3) any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (3).

For the purposes of this **Section 10.6**, "**Approved Fund**" means any Person (other than a natural person) that is or will be engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to **paragraph (b)(iv)** below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of **Sections 2.17**, **2.19**, **2.20** and **10.5**). Any assignment or transfer by a Lender of rights or obligations under

this Agreement that does not comply with this **Section 10.6** shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with **paragraph (c)** of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in **paragraph (b)** of this Section and any written consent to such assignment required by **paragraph (b)** of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that, if either the assigning Lender or the Assignee shall have failed to make any payment required to be made by it pursuant to **Section 2.17(d)**, **3.4**, **10.5(c)** or **10.7(a)**, the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrowers or the Administrative Agent, sell participations to any Person (other than any Person described in paragraph (b)(ii)(D) of this Section) (a "**Participant**") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrowers, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of **Section 10.1** and (2) directly affects such Participant. The Borrowers agree that each Participant shall be entitled to the benefits of **Sections 2.17**, **2.19** and **2.20** (subject to the requirements and limitations therein, including the requirements under **Section 2.19(g)** (it being understood that the documentation required under **Section 2.19(g)** shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by

assignment pursuant to **paragraph (b)** of this Section; provided that such Participant (A) agrees to be subject to the provisions of **Sections 2.21** and **2.22** as if it were an Assignee and (B) shall not be entitled to receive any greater payment under **Section 2.18** or **2.19**, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurred after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrowers' request and expense, to use reasonable efforts to cooperate with the Borrowers to effectuate the provisions of **Section 2.22** with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of **Section 10.7(b)** as though it were a Lender, provided such Participant shall be subject to **Section 10.7(a)** as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United Stated Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

10.7 Adjustments; Setoff.

(a) Except to the extent that this Agreement, any other Loan Document or a court order expressly provides for payments to be allocated to a particular Lender or to the Lenders, if any Lender (a "**Benefitted Lender**") shall receive any payment of all or part of the Obligations owing to it (other than in connection with an assignment made pursuant to **Section 10.6**), or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, pursuant to events or proceedings of the nature referred to in **Section 8(f)**, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of

such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without notice to the Borrowers, any such notice being expressly waived by the Borrowers to the extent permitted by applicable law, upon any Obligations becoming due and payable by the Borrowers (whether at the stated maturity, by acceleration or otherwise), to apply to the payment of such Obligations, by setoff or otherwise, any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, Indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any Affiliate thereof or any of their respective branches or agencies to or for the credit or the account of the Borrowers. Each Lender agrees promptly to notify the Borrowers and the Administrative Agent after any such application made by such Lender, provided that the failure to give such notice shall not affect the validity of such application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrowers and the Administrative Agent.

10.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrowers, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

10.12 Submission To Jurisdiction Waivers. Each of the Borrowers, jointly and severally, hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the nonexclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrowers, as the case may be at its address set forth in **Section 10.2** or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

10.13 Acknowledgments. Each of the Borrowers hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or fiduciary duty to either of the Borrowers arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Borrowers, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrowers and the Lenders.

10.14 Releases of Guarantees and Liens.

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by **Section 10.1**) and agrees to take any action requested by the Borrowers having the effect of releasing any Guarantee Obligations and/or any Collateral (i) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with **Section 10.1**, (ii) under the circumstances described in **paragraph (b)** below or (iii) to the extent required by the terms of the Intercreditor Agreement.

(b) At such time as the Loans and the other obligations under the Loan Documents shall have been paid in full and the Commitments have been terminated, the Security Documents

and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

10.15 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively, the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this **Section 10.15** shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

10.16 Confidentiality. Each of the Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party, the Administrative Agent or any Lender pursuant to or in connection with this Agreement that is designated by the provider thereof as confidential; provided that nothing herein shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, any other Lender or any Affiliate thereof, (b) subject to an agreement to comply with the provisions of this Section, to any actual or prospective Transferee or any direct or indirect counterparty to any Swap Agreement (or any professional advisor to such counterparty), (c) to its employees, directors, agents, attorneys, accountants and other professional advisors or those of any of its Affiliates, (d) upon the request or demand of any Governmental Authority, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) that has been publicly disclosed, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, or (i) in connection with the exercise of any remedy hereunder or under any other Loan Document.

Each Lender acknowledges that information furnished to it pursuant to this Agreement or the other Loan Documents may include material non-public information concerning the Borrowers and their Affiliates and their Related Parties or their respective Securities and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including United States federal and state securities laws.

All information, including requests for waivers and amendments, furnished by the Borrowers or the Administrative Agent pursuant to, or in the course of administering, this Agreement or the other Loan Documents will be syndicate-level information, which may contain material non-public information about the Borrowers and their Affiliates and their Related

Parties or their respective Securities. Accordingly, each Lender represents to the Borrowers and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material nonpublic information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

10.17 WAIVERS OF JURY TRIAL. THE BORROWERS, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY), AND FOR ANY COUNTERCLAIM WITH RESPECT THERETO. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.18 USA Patriot Act Notice. Each Lender is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, restated, modified, supplemented or replaced, the "**USA Patriot Act**"), and hereby notifies the Borrowers that it is required to obtain, verify and record information that identifies the Borrowers and their Subsidiaries, which information includes the name and address of the Borrowers and such Subsidiaries and other information that will allow such Lender to identify the Borrowers and their Subsidiaries in accordance with the USA Patriot Act.

10.19 Intercreditor Agreement. Each Lender hereby (a) acknowledges that it has received a copy of the Intercreditor Agreement, (b) agrees that it will be bound by and will take no action contrary to the provisions of the Intercreditor Agreement to the extent then in effect and (c) authorizes and instructs the Administrative Agent to enter into the Intercreditor Agreement (including any modifications thereof necessary to permit any Permitted Refinancing) on behalf of and without any further action by such Lender.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -

SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

AMEDISYS, INC., as Lead Borrower

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President and Interim Chief Executive Officer

AMEDISYS HOLDING, L.L.C., as Co-Borrower

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President

ADMINISTRATIVE AGENT AND LENDERS:

CORTLAND CAPITAL MARKET LLC,
as Administrative Agent

By: /s/ Emily Ergang Pappas
Name: Emily Ergang Pappas
Title: Associate Counsel

KKR CORPORATE LENDING LLC,
as a Lender

By: /s/ Jeffrey Rowbottom
Name: Jeffrey Rowbottom
Title: Authorized Signatory

[Signature Page to Second Lien Credit Agreement]

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Section 8: EX-10.9 (EX-10.9)

Exhibit 10.9

EXECUTION VERSION

SECOND LIEN SECURITY AND PLEDGE AGREEMENT

dated as of

July 28, 2014,

among

AMEDISYS, INC.,

AMEDISYS HOLDING, L.L.C.,

THE GUARANTORS PARTY HERETO,

and

CORTLAND CAPITAL MARKET SERVICES LLC,
not in its individual capacity, but solely as Administrative Agent

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THIS SECOND LIEN SECURITY AND PLEDGE AGREEMENT (this "Agreement") dated as of July 28, 2014, is among AMEDISYS HOLDING, L.L.C. ("Co-Borrower"), AMEDISYS, INC. (the "Lead Borrower", together with the Co-Borrower, the "Borrowers"), the Guarantors party hereto (together with the Borrowers, the "Debtors"), and CORTLAND CAPITAL MARKET SERVICES LLC, not in its individual capacity, but solely as collateral agent for the Lenders and the other Secured Parties (as such terms are defined herein) (in such capacity, together with its successors in such capacity, the "Administrative Agent").

RECITALS:

A. Pursuant to the Second Lien Credit Agreement dated as of even date herewith (as amended, modified and supplemented from time to time, the "Credit Agreement"), among the Borrowers, the lenders from time to time party thereto (the "Lenders") and the Administrative Agent, the Lenders agreed to make loans to and other extensions of credit on behalf of the Borrowers.

B. It is a condition to the effectiveness of the Credit Agreement and the obligations of the Lenders thereunder that the Debtors shall have granted Liens (as defined in the Credit Agreement) securing the Obligations (as defined in the Credit Agreement) and executed and delivered, and granted the Liens provided for in, this Agreement.

D. To induce the Lenders to enter into the Credit Agreement and to make loans to the Borrowers, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtors have agreed to grant security interests in the Collateral (as hereinafter defined) as security for the Secured Obligations (as hereinafter defined).

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.01 Definitions. Capitalized terms not otherwise defined herein have the respective meanings assigned to them in the Credit Agreement. All terms used herein that are not defined herein or in the Credit Agreement and are defined in the UCC have the meanings therein stated. In addition, the following terms have the following meanings under this Agreement:

"Accounts" means all accounts (as defined in the UCC) and all general intangibles (including payment intangibles and software) (as defined in the UCC) of any Debtor constituting any right to the payment of money, whether or not earned by performance, including all moneys due and to become due to any Debtor in respect of any loans or advances or for Inventory or Equipment or other goods sold or leased or for services rendered, tax refunds, insurance refund claims and other insurance claims and proceeds, tort claims, securities and other investment property, rights to proceeds of letters of credit, letter-of-credit rights, supporting obligations of every nature and any guarantee of any of the foregoing.

"Administrative Agent" has the meaning set forth in the introductory paragraph to this Agreement.

"Agreement" has the meaning set forth in the introductory paragraph to this Agreement.

"Borrowers" has the meaning set forth in the introductory paragraph to this Agreement.

"Collateral" has the meaning assigned to such term in Section 2.01.

"Contracts" means, collectively, with respect to each Debtor, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Debtor and third parties, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

"Control" means (i) in the case of each Deposit Account, "control," as such term is defined in Section 9.104 of the UCC, (ii) in the case of any certificated security, uncertificated security or security entitlement, "control," as such term is defined in Section 8.106 of the UCC and (iii) in the case of any commodity contract, "control," as such term is defined in Section 9.106 of the UCC.

"Credit Agreement" has the meaning set forth in Recital A.

"Deposit Account Control Agreement" means a deposit account control agreement in form and substance reasonably satisfactory to the Administrative Agent.

"Deposit Accounts" means, collectively, with respect to each Debtor, (i) all "deposit accounts" as such term is defined in the UCC and (ii) all cash, funds, checks, notes and instruments from time to time on deposit in any of the accounts described in clause (i) of this definition.

"Documents" means all "documents" (as defined in the UCC) or other receipts covering, evidencing or representing Inventory or Equipment.

"Equipment" means, with respect to each Debtor, all "equipment" (as defined in the UCC) and all other goods of such Debtor that are used or acquired for use in its business, including all spare parts and related supplies, all goods obtained by such Debtor in exchange for any such goods, all substances, if any, commingled with or added to those goods and all upgrades and other improvements to those goods, in each case to the extent not constituting Inventory.

"General Intangibles" means all "general intangibles" (as defined in the UCC) now owned or hereafter acquired by any Debtor, including (i) all obligations or indebtedness owing to any Debtor (other than Accounts) from whatever source arising, (ii) all Intellectual Property and goodwill, (iii) all Governmental Authorizations, (iv) all rights or claims in respect of refunds for taxes paid, (v) all Contracts and (vi) to the extent permitted by applicable law, all rights in respect of any pension plan or similar arrangement maintained for employees of any Debtor.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d *et set.*), as the same may be amended, modified or supplemented from time to time, any successor statute thereto, any and all rules or regulations promulgated from time to time thereunder, and any comparable state laws.

"Instruments" means all "instruments", "chattel paper" (whether tangible or electronic) or "letters of credit" (each as defined in the UCC) of any Debtor evidencing, representing, arising from or existing in respect of, relating to, securing or otherwise supporting the payment of, any Account, including promissory notes, drafts, bills of exchange and trade acceptances now owned or hereafter acquired and all interest, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any of the Instruments.

"Intellectual Property" means all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets; (b) all licenses or user or other agreements granted to any Debtor with respect to any of the items listed in clause (a) above, in each case whether now or hereafter owned or used, including the licenses and user or other agreements listed in Annex 1; (c) all information, customer lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs; (d) all field repair data, sales data and other information relating to sales or service of products now or hereafter manufactured; (e) all accounting information and all media in which or on which any information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data; and (f) all causes of action, claims and warranties now or hereafter owned or acquired by any Debtor in respect of any of the items listed above.

"Inventory" means all inventory (as defined in the UCC) and all other goods of any Debtor held for sale, lease or furnishing under a contract of service (including to its Subsidiaries or Affiliates) or that constitute raw materials, work in process or material used or consumed in its business, including all spare parts and related supplies, all goods obtained by any Debtor in exchange for such goods, all products made or processed from such goods and all substances, if any, commingled therewith or added to such goods;

"Investment Property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract or commodity account (in each case, as defined in the UCC), excluding, however, the Securities Collateral.

"Patent Collateral" means all Patents now owned or hereafter acquired by any Debtor, including each Patent Collateral identified in Annex 2.

"Patents" means, collectively, (i) all patents and patent applications, including the inventions and improvements described and claimed therein, and all patentable inventions, (ii) all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and (iii) all rights, licenses and goodwill, now existing or hereafter coming into existence, (A) to all income, profits, royalties, damages and payments now or hereafter due and/or payable under and

with respect thereto, including damages and payments for past, present or future infringements thereof, (B) to sue for past, present and future infringements thereof, and (C) otherwise accruing under or pertaining to any of the foregoing throughout the world.

"Permitted Liens" means Liens permitted by the Credit Agreement.

"Proceeds" has the meaning assigned to such term in the UCC, including all proceeds of insurance and all condemnation awards and all other compensation for any casualty event with respect to all or any part of the Collateral (together with all rights to recover and proceed with respect to the same), and all accessions to, substitutions for and replacements of all or any part of the other Collateral.

"Records" has the meaning assigned to such term in Section 4.05.

"Secured Obligations" means all Obligations now or hereafter existing, including any extensions, modifications, substitutions, amendments and renewals thereof, whether for principal, interest, fees, expenses, indemnification, or otherwise, including all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Administrative Agent or any Secured Party in connection with any suit or proceeding in connection with the performance by such Secured Party of any of the agreements contained in any of the Contracts, or in connection with any exercise of its rights or remedies hereunder, pursuant to the terms of this Agreement.

"Secured Parties" means, collectively, (a) the Administrative Agent, (b) the Lenders, and (c) each other Person to whom any of the Secured Obligations are owed.

"Securities Collateral" means the Capital Stock now owned or hereafter acquired by any Debtor (whether such Capital Stock constitutes securities or general intangibles under the UCC) including the Capital Stock identified on Annex 3 hereto and any Capital Stock subsequently pledged to the Secured Party pursuant to any Joinder Agreement, and the certificates or other instruments representing any of the foregoing and any interest of a Debtor in the entries on the books of any securities intermediary pertaining thereto (the "Pledged Shares"), and all dividends, distributions, returns of capital, cash, warrants, options, rights, instruments, rights to vote or manage the business of such Person pursuant to organizational documents governing the rights and obligations of the stockholders, partners, members or other owners thereof and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such Pledged Shares.

"Security Interest" means the security interest in the Collateral granted by Debtors under this Agreement.

"Trademark Collateral" means all Trademarks now owned or hereafter acquired by any Debtor including each Trademark Collateral identified in Annex 4.

"Trademarks" means, collectively, (i) all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, (ii) all renewals of trademark and service mark registrations, and (iii) all rights, licenses and goodwill, now existing or hereafter coming into existence, (A) to all income, royalties, damages and other payments (including in respect of all past, present and future infringements) with respect to any of the foregoing, (B) to sue for all past, present and future

infringements thereof, and (C) otherwise accruing under or pertaining to any of the foregoing, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

"UCC" means the Uniform Commercial Code as now or hereafter adopted and in effect in the State of New York; provided that if, by reason of mandatory provisions of Law, the perfection or the effect of perfection or non-perfection of any Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or the effect of perfection or non-perfection.

1.02 Interpretation. The principles of interpretation set out in Section 1.2 of the Credit Agreement shall apply equally to this Agreement *mutatis mutandis*.

ARTICLE II

COLLATERAL

2.01 Grant of Security Interest. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) and performance of the Secured Obligations, each Debtor hereby grants to the Administrative Agent for the benefit of the Secured Parties a security interest in all of such Debtor's right, title and interest in, to and under the following property, whether now owned or hereafter acquired by such Debtor and whether now existing or hereafter coming into existence and wherever located (collectively, the "Collateral"):

(a) all Accounts;

(b) all Deposit Accounts;

(c) all Documents;

(d) all Equipment;

(e) all General Intangibles;

(f) all Governmental Authorizations;

(g) all Instruments;

(h) all Inventory;

(i) all Investment Property;

(j) all Securities Collateral;

(k) all rights, claims and benefits of such Debtor against any Person arising out of, relating to or in connection with Inventory or Equipment purchased by such Debtor, including any such rights, claims or benefits against any Person storing or transporting such Inventory or Equipment;

(l) all other tangible and intangible personal property and fixtures of such Debtor, including all cash, products, rents, revenues, issues, profits, royalties, income, benefits, commercial tort claims, letter-of-credit rights, supporting obligations, accessions to, substitutions and replacements for any and all of the foregoing, any indemnity, warranty or guarantee payable by any reason of loss or damage to or otherwise with respect to any of the foregoing, and all causes of action, claims and warranties now or hereafter held by such Debtor in respect of any of the items listed above;

(m) all books, correspondence, credit files, records, invoices and other papers, including all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Debtor or any computer bureau or service company from time to time acting for such Debtor;

(n) all Proceeds of the collateral described in the foregoing clauses (a) through (m).

Notwithstanding anything herein to the contrary, Debtors do not grant a security interest in, and the Collateral shall not include the rights or interests of any Debtor in, the following assets or property:

(i) any assets or property (including, without limitation, any Governmental Authorization or Contract to which such Debtor is a party or any of its rights or interests thereunder, or any Equipment or Intellectual Property) to the extent, but only to the extent, that (A) such a grant is prohibited by reason of (1) an applicable law or regulation to which such Debtor or such asset or property is subject or (2) an existing and enforceable negative pledge or anti-assignment provision (other than to the extent that any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principles of equity), (B) the creation of a Lien therein could constitute a breach of the terms of any document affecting such asset or property or would cause a default or event of default under the terms of such document, or would permit any party to such document to terminate any right arising thereunder or to exercise any put, call, right of first refusal, preferential right to purchase, purchase option or other similar right, in each case that would permit any party thereto to terminate such document (except to the extent any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principals of equity), or (C) such asset or property is now or hereafter subject to a Lien securing purchase money debt or capital leases to the extent that (1) such Lien and purchase money debt or capital lease are permitted under the Credit Agreement, and (2) the documents evidencing such purchase money debt or capital lease prohibits the granting of a Lien in the property securing such purchase money debt or capital lease (except to the extent any such term would be rendered ineffective pursuant to the UCC or any other applicable law or principals of equity); provided that, with respect to (A), (B) and (C) above, immediately upon the ineffectiveness, lapse or termination of any such

provision, the Collateral shall include, and the applicable Debtor shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect;

(ii) the Capital Stock of any Specified Entity and the Excluded Capital Stock identified on Annex 3; or

(iii) motor vehicles, tractors, trailers and other like property to which the title thereto is governed by a certificate of title or ownership.

2.02 Termination of Security Interests. This Agreement and the Security Interests shall terminate and all rights to the Collateral shall revert to the applicable Debtors when (i) all outstanding Secured Obligations shall have been paid in full and (ii) all Commitments under the Credit Agreement shall have expired or been terminated. Subject to the Intercreditor Agreement, upon such termination, the Administrative Agent shall (at the written request and expense of the Borrowers) promptly cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of the applicable Debtor and to be released and cancelled all licenses and rights referred to in Section 5.12(b)(i). The Administrative Agent shall also (at the written request and expense of the Borrowers) promptly execute and deliver to the Borrowers upon such termination such UCC termination statements and such other documentation as shall be reasonably requested by the Borrowers to effect the termination and release of the Security Interests on the Collateral.

2.03 Partial Release of Collateral or Debtor. Upon the disposition of any Collateral in accordance with the Credit Agreement or any other transaction permitted by the Credit Agreement, the Administrative Agent shall, upon the written request of (and at the sole cost and expense of) the Borrowers, promptly execute and deliver to the Borrowers such UCC termination statements and such other documentation as the Borrowers may reasonably request to the extent necessary to effect the termination and release of the Liens on such Collateral or the release of a Debtor, as applicable, in accordance with the Credit Agreement.

2.04 Security Interest Absolute. Subject to the Intercreditor Agreement, to the maximum extent permitted by applicable law, the rights and remedies of the Administrative Agent hereunder, the Liens created hereby, and the obligations of the Debtors under this Agreement are absolute, irrevocable and unconditional and will remain in full force and effect without regard to, and will not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination pursuant to Section 2.02 or partial release pursuant to Section 2.03), including:

(a) any renewal, extension, amendment, or modification of, or addition or supplement to or deletion from, any of the Loan Documents or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(b) any waiver of, consent to or departure from, extension, indulgence or other action or inaction under or in respect of any of the Secured Obligations, this Agreement, any other Loan Document or other instrument or agreement relating thereto, or any

exercise or non-exercise of any right, remedy, power or privilege under or in respect of the Secured Obligations, this Agreement, any other Loan Document or any such other instrument or agreement relating thereto;

(c) any furnishing of any additional security for the Secured Obligations or any part thereof to the Administrative Agent or any other Person or any acceptance thereof by the Administrative Agent or any other Person or any substitution, sale, exchange, release, surrender or realization of or upon any such security by the Administrative Agent or any other Person or the failure to create, preserve, validate, perfect or protect any other Lien granted to, or purported to be granted to, or in favor of, the Administrative Agent or any other Secured Party;

(d) any invalidity, irregularity or unenforceability of all or any part of the Secured Obligations, any Loan Document or any other agreement or instrument relating thereto or any security therefor;

(e) the acceleration of the maturity of any of the Secured Obligations or any other modification of the time of payment thereof; or

(f) any other event or circumstance whatsoever that might otherwise constitute a legal or equitable discharge of a surety or a guarantor, it being the intent of this Section 2.04 that the obligations of the Debtors hereunder shall be absolute, irrevocable and unconditional under any and all circumstances.

2.05 Guarantors; New Subsidiaries. Upon the execution and delivery of a Joinder Agreement by a new Subsidiary pursuant to Section 6.10(b) of the Credit Agreement, such new Subsidiary shall constitute a "Guarantor" and a "Debtor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Debtor herein. The execution and delivery of such Joinder Agreement shall not require the consent of any Debtor hereunder. The rights and obligations of each Debtor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Debtor as a party to this Agreement.

2.06 Limit of Liability. Notwithstanding the foregoing, the security interest granted by each Debtor hereunder shall be limited to the extent necessary so that its obligations hereunder would not be subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state law.

2.07 Reinstatement. This Agreement and the Liens created hereunder shall automatically be reinstated if and to the extent that for any reason any payment by or on behalf of any Debtor in respect of the Secured Obligations is rescinded or must otherwise be restored by any holder of the Secured Obligations, whether as a result of any fraudulent conveyance, proceedings in bankruptcy or reorganization or otherwise. EACH DEBTOR SHALL DEFEND AND INDEMNIFY EACH SECURED PARTY FROM AND AGAINST ANY CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE UNDER THIS SECTION 2.07 (INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES) IN THE DEFENSE OF ANY SUCH ACTION OR SUIT, INCLUDING SUCH CLAIM, DAMAGE, LOSS,

LIABILITY, COST, OR EXPENSE ARISING AS A RESULT OF THE INDEMNIFIED SECURED PARTY'S OWN NEGLIGENCE OR STRICT LIABILITY BUT EXCLUDING SUCH CLAIM, DAMAGE, LOSS, LIABILITY, COST, OR EXPENSE THAT IS FOUND IN A FINAL, NON-APPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED SECURED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

ARTICLE III

PERFECTION OF SECURITY INTEREST

3.01 Perfection. Subject to the Intercreditor Agreement, prior to or concurrently with the execution and delivery of this Agreement (or as applicable, after the First Lien Obligations (other than contingent indemnity obligations) are terminated), Debtors shall:

(a) intentionally omitted;

(b) deliver to the Administrative Agent any and all certificates in any Debtor's physical possession evidencing Investment Property included in the Collateral or any Securities Collateral included in the Collateral, endorsed or accompanied by such instruments of assignment and transfer in such form and substance as the Administrative Agent may reasonably request;

(c) intentionally omitted;

(d) with respect to any uncertificated security included in the Collateral, cause the Security Interest to be recorded on the equityholder register or on the books of the issuer of such uncertificated security and cause such issuer to execute and deliver to the Administrative Agent an acknowledgement of the Security Interest pursuant to which the issuer agrees to comply with instructions originated by the Administrative Agent without further consent by such Debtor; and

(e) take all such other actions as shall be necessary or as the Administrative Agent may reasonably request to perfect and establish the priority (subject only to Permitted Liens) of the Security Interest.

Additionally, each Debtor hereby authorizes the Administrative Agent to prepare, execute, deliver, file and/or record any such financing statement (including any fixture filing), continuation statement, amendment or other document that may be necessary or desirable (in the reasonable judgment of the Administrative Agent): (i) to create, preserve, perfect or validate the Security Interest or establish the priority thereof (subject only to Permitted Liens); or (ii) to enable the Administrative Agent to exercise and enforce its rights hereunder with respect to such Security Interest. Each Debtor hereby authorizes the Administrative Agent to file any financing statement describing the Collateral as "all assets" or "all of the Debtor's personal property", notwithstanding that such wording may be broader in scope than the Collateral described in this Agreement. The Debtors shall pay the costs of, or incidental to, any recording or filing of any such financing or continuation statement, amendment or other document or otherwise arising out of or in connection with the execution and delivery of this Agreement.

3.02 Perfection of Additional Collateral. Subject to the Intercreditor Agreement and, as applicable, after the First Lien Obligations (other than contingent indemnity obligations) are terminated, each Debtor shall:

(a) subject to Section 3.03, promptly deliver to the Administrative Agent all Instruments held by such Debtor, endorsed and/or accompanied by instruments of assignment and transfer in such form and substance as the Administrative Agent may reasonably request;

(b) upon the possession or acquisition of any certificated securities representing Investment Property included in the Collateral or Securities Collateral included in the Collateral which are to be physically possessed by a Debtor, promptly deliver to the Administrative Agent all such certificated securities, endorsed or accompanied by instruments of transfer or assignment in such form and substance as the Administrative Agent may reasonably request;

(c) upon the possession or acquisition of any uncertificated securities included in the Collateral, cause the Security Interest to be recorded on the equityholder register or the books of the issuer of such uncertificated securities and cause such issuer to execute and deliver to the Administrative Agent an acknowledgement of the Security Interest pursuant to which such issuer agrees to comply with instructions originated by the Administrative Agent without further consent by such Debtor;

(d) promptly deliver to the Administrative Agent a Deposit Account Control Agreement with respect to any Deposit Account included in the Collateral, other than any Deposit Account maintained by the Administrative Agent, executed by the applicable Debtor and the financial institution maintaining such Deposit Account; and

(e) promptly deliver to the Administrative Agent a securities account control agreement in form and substance reasonably satisfactory to the Administrative Agent with respect to any securities account or securities entitlement, executed by the applicable Debtor and the securities intermediary maintaining such securities account.

3.03 Instruments. So long as no Event of Default shall have occurred and be continuing, each Debtor may retain for collection in the ordinary course any Instruments received by it in the ordinary course of business, and the Administrative Agent shall, subject to the Intercreditor Agreement, promptly upon request and at the expense of any Debtor, make appropriate arrangements for making any Instrument pledged by such Debtor and held by the Administrative Agent available to such Debtor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed appropriate by the Administrative Agent, against trust receipt or like document).

3.04 Further Assurances. Each Debtor shall, from time to time, at its sole expense, promptly execute, deliver, file and record all further agreements, assignments, instruments, documents and certificates and take all further action that may be reasonably

necessary or reasonably desirable, or that the Administrative Agent may reasonably request, in order to create, preserve, perfect, confirm or validate the Security Interest in the Collateral or to enable the Administrative Agent to obtain the full benefits of the Security Documents (including, subject to the Intercreditor Agreement, the delivery of possession of any Collateral that hereafter comes into existence or is acquired in the future by the Administrative Agent as pledgee for the benefit of the Secured Parties), or to enable the Administrative Agent to exercise and enforce any of its rights, powers and remedies thereunder with respect to any of such Collateral.

3.05 Use of Collateral. So long as no Event of Default shall have occurred and be continuing, except as otherwise provided herein or in the Credit Agreement, each Debtor shall be entitled to use and possess the Collateral and to exercise its rights, title and interest in all Contracts and Governmental Authorizations subject to the rights, remedies, powers and privileges of the Administrative Agent under Article VI and to such use, possession or exercise not otherwise constituting an Event of Default.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Each Debtor represents and warrants to the Secured Parties as follows:

4.01 Security Documents. This Agreement is effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable Lien on the Collateral and, when (i) financing statements and other filings in appropriate form are filed in the offices specified on Annex 5 and (ii) upon the taking of possession or Control by the Administrative Agent (or as applicable, the First Lien Administrative Agent) of the Collateral with respect to which a security interest may be perfected only by possession or Control (which possession or Control shall be given to the Administrative Agent (or as applicable, the First Lien Administrative Agent) to the extent possession or Control by the Administrative Agent (or as applicable, the First Lien Administrative Agent) is required by this Agreement or the Intercreditor Agreement), the Lien created by this Agreement shall constitute a fully perfected Lien on all right, title and interest of the Debtors in the Collateral, in each case subject to no Liens other than Permitted Liens.

4.02 Title. Each Debtor is the sole legal and beneficial owner of all Collateral in which it purports to grant a Lien pursuant to this Agreement, and such Collateral is free and clear of all Liens other than Permitted Liens. The Security Interests have attached and upon the filing of the financing statements and, subject to the Intercreditor Agreement, delivery of Collateral to the Administrative Agent (or as applicable, the First Lien Administrative Agent) which may be perfected only by possession or Control, will constitute, under the UCC, perfected security interests in all such Collateral prior to all other Liens (other than Permitted Liens). No currently effective financing statement or other instrument similar in effect is on file in any recording office covering all or any part of the Collateral, except such as may have been filed evidencing Permitted Liens. No Person other than the First Lien Administrative Agent and the Administrative Agent has Control or possession of all or any part of the Collateral except as permitted by the Credit Agreement, the Intercreditor Agreement or this Agreement.

4.03 Chief Executive Office; Legal Name; Jurisdiction of Organization. As of the date hereof, the exact legal name, type of organization, jurisdiction of organization, Federal Taxpayer Identification Number, organizational identification number and chief executive office of each Debtor is indicated next to its name in Annex 6.

4.04 Corporate Names; Prior Names and Transactions. Each Debtor has not, during the past five years, been known by or used any other corporate name or been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business, except as set forth in Annex 7.

4.05 Records. As of the date hereof, the principal place of business and chief executive office of each Debtor and the office where each Debtor keeps its books and records concerning the Collateral (hereinafter, collectively called the "Records") is located at the address set out on Annex 8.

4.06 Changes in Circumstances. Except as disclosed in writing to the Administrative Agent prior to the date hereof, Debtor has not, within the period of four months prior to the date hereof: (a) changed its location (as defined in Section 9-307 of the UCC); (b) changed its name; or (c) become a "new debtor" (as defined in Section 9-102(a)(56) of the UCC) with respect to a security agreement previously entered into by any other Person.

4.07 Inventory and Equipment. As of the date hereof, all Inventory and Equipment of the Debtors is located at one of the locations identified in Annex 9 under its name or in transit from one of such location to another, other than (a) such Inventory which is in-transit to the applicable purchaser thereof and (b) laptop computers, tablet computers and like Equipment in possession of the employees of the Debtors and used in the ordinary course of business.

4.08 Title to Capital Stock. As of the date hereof, the applicable Debtor identified on Annex 3 owns the Capital Stock listed as being owned by it in Annex 3 hereto, free and clear of any Lien other than Permitted Liens. All shares of capital stock identified in such Annex as being beneficially owned by each Debtor have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to any option to purchase or similar right of any Person except as permitted by the Credit Agreement. Except as permitted by the Credit Agreement, and with respect to the Excluded Capital Stock identified on Annex 3, each Debtor is not and will not become a party to or otherwise bound by any agreement, other than the Loan Documents, which restricts in any manner the rights of any present or future holder of any such Capital Stock with respect thereto.

4.09 Financing Statements and Other Filings; Maintenance of Perfected Security Interest. As of the date hereof, the only Article 9 UCC filings, registrations and recordings necessary and appropriate to create, preserve, protect, publish notice of and perfect the Security Interest are listed in Annex 5. All such filings, registrations and recordings have been delivered to the Administrative Agent in completed form for filing in each governmental, municipal or other office specified in Annex 5.

4.10 Deposit Accounts. As of the date hereof, no Debtor has opened or maintains any Deposit Accounts other than the accounts listed in Annex 10. By virtue of the First Lien Administrative Agent's Control (pursuant to the Intercreditor Agreement for the benefit the Administrative Agent), the Administrative Agent has a perfected second priority security interest in each Deposit Account included in the Collateral and listed in Annex 10 by Control.

4.11 Investment Property. As of the date hereof, Debtor (i) has no Securities Accounts or Commodity Accounts other than those listed in Annex 11, and the Administrative Agent will have a perfected second priority security interest in such Securities Accounts and Commodity Accounts as a result of filing the applicable UCC financing statements, in each case subject to Permitted Liens, and (ii) does not hold, own or have any interest in any Investment Property other than Investment Property maintained in Securities Accounts or Commodity Accounts listed in Annex 11.

4.12 Delivery of Certificated Securities Collateral. All certificates, agreements or instruments representing or evidencing the Securities Collateral in existence on the date hereof have been delivered to the First Lien Administrative Agent, subject to the Intercreditor Agreement, or the Administrative Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank, and the Administrative Agent has a perfected second priority security interest therein.

4.13 Perfection of Uncertificated Securities Collateral. Upon filing of the applicable UCC financing statements and subject to Permitted Liens, the Administrative Agent will have a perfected second priority security interest in all uncertificated Securities Collateral pledged by it hereunder that is in existence on the date hereof.

4.14 Instruments and Tangible Chattel Paper. As of the date hereof, no principal amount payable under or in connection with any of the Collateral is evidenced by any Instrument or tangible chattel paper other than such Instruments and tangible chattel paper listed in Annex 12.

4.15 Electronic Chattel Paper and Transferable Records. As of the date hereof, no principal amount payable under or in connection with any of the Collateral is evidenced by any electronic chattel paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction) other than such electronic chattel paper and transferable records listed in Annex 13.

4.16 Letters of Credit. As of the date hereof, no Debtor is a beneficiary under any Letter of Credit issued in favor of such Debtor except as listed in Annex 14.

4.17 Commercial Tort Claims. As of the date hereof, no Debtor holds any commercial tort claims other than those listed in Annex 15.

ARTICLE V

COVENANTS

In furtherance of the grant of the Security Interests pursuant to Article II, each Debtor hereby agrees with the Administrative Agent as follows:

5.01 Access to Records; Patient Confidential Information. Each Debtor shall upon reasonable notice, at any time during normal business hours, permit representatives of the Administrative Agent to inspect and make copies of the Records, and to be present at such Debtor's place of business to receive copies of all communications and remittances relating to the Collateral, and forward to the Administrative Agent copies of any notices or communications received by such Debtor relevant to the Security Interest. Upon the occurrence and during the continuation of an Event of Default, at the Administrative Agent's request, each Debtor shall promptly deliver copies of any and all such Records to the Administrative Agent. Prior to any such inspection of Records by representatives of the Administrative Agent or any such delivery of Records to the Administrative Agent, if such Records contain confidential patient information, the maintenance of which is governed by the HIPAA Security and Privacy Requirements codified at 45 C.F.R. Parts 160 & 164, the Administrative Agent and/or its authorized representatives will execute and deliver to the Debtors a "HIPAA Business Associate Agreement" in form and substance reasonably satisfactory to the Debtors and the Administrative Agent. In connection with any such inspection of Records by representatives of the Administrative Agent or any such delivery of Records to the Administrative Agent, the Administrative Agent will, and will take commercially reasonable steps to cause its authorized representatives to, comply with all applicable laws regarding confidential patient information (including as set forth in HIPAA).

5.02 Other Financing Statements and Liens. Without the prior written consent of the Administrative Agent, each Debtor shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Administrative Agent is not named as the sole secured party for the benefit of the Secured Parties except to the extent such filing or like instrument pertains to a Permitted Lien.

5.03 Reports. Each Debtor shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail; provided, however, absent the existence of an Event of Default, the Debtors shall only be required to deliver such information quarterly. Promptly upon request of the Administrative Agent, following receipt by the Administrative Agent of any reports pursuant to the preceding sentence, the Debtors shall deliver to the Administrative Agent revised Annexes 2 and 4 to include Trademark and Patents that becomes part of the Collateral under this Agreement.

5.04 Adverse Claims. Each Debtor shall defend, all at its own expense, such Debtor's title and the existence, perfection and second priority of the Administrative Agent's security interest in the Collateral against all adverse claims (other than Permitted Liens).

5.05 Certain Changes. In the event any Debtor changes its (i) name, identity, corporate structure or the jurisdiction under which it is organized, (ii) chief executive office or chief place of business or (iii) the locations where it keeps or holds any Collateral (except Inventory in transit from one such location to another) or any records relating thereto from the applicable locations described in Annexes 8 and 9 hereof, such Debtor shall give the Administrative Agent and its counsel notice thereof concurrently with delivery of the reports required in accordance with Section 5.03. Notwithstanding the foregoing, no Debtor will in any event change the location of any Collateral owned by it if such change would cause the Security Interest in such Collateral to lapse or cease to be perfected.

5.06 Intentionally Deleted.

5.07 Collateral Held by Others. If any of its Collateral is at any time in the possession or control of any warehouseman, bailee or agent (other than the First Lien Administrative Agent), each Debtor shall notify such warehouseman, bailee or agent of the Security Interests and instruct it to hold all such Collateral for the Administrative Agent's account subject to the Administrative Agent's instructions (which shall permit such Collateral to be removed by such Debtor in the ordinary course of business until the Administrative Agent notifies such warehouseman, bailee or agent that an Event of Default has occurred and is continuing). Each Debtor shall use its commercially reasonable efforts to obtain a bailee letter and/or landlord lien waiver, as applicable, from all such bailees and landlords, as applicable, who from time to time have possession of Collateral in the ordinary course of such Debtor's business having an aggregate value in excess of $1,500,000. Notwithstanding the foregoing, the Debtors shall not be required to take any action under this Section 5.07 with respect to any Inventory in-transit to the applicable purchaser thereof.

5.08 Records. Each Debtor shall keep accurate Records and shall stamp or otherwise mark such Records in such manner as the Administrative Agent may reasonably request in order to reflect the Security Interests.

5.09 Collection of Accounts. Each Debtor shall use commercially reasonable efforts to cause to be collected from its account debtors, as and when due, any and all amounts owing under or on account of each of its Accounts (including Accounts that are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and shall apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Accounts. The costs and expenses (including attorney's fees) of collection, whether incurred by a Debtor or the Administrative Agent, shall be borne by such Debtor.

5.10 Disposition of Collateral. No Debtor shall sell, lease, exchange, assign or otherwise dispose of, or grant any option with respect to, any of its Collateral except as permitted by the Credit Agreement.

5.11 Protection of Intellectual Property. Each Debtor shall timely pay all fees (including maintenance fees), file all documents or declarations (including applications, applications for renewal, affidavits of use and affidavits of incontestability) and take all other action necessary to obtain, maintain and renew each Patent and Trademark included in the Collateral. Each Debtor shall notify the Administrative Agent in writing at the end of each

Fiscal Year if it knows that any application or registration relating to any Intellectual Property owned or licensed by it may become abandoned or dedicated, or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office or any court) regarding such Debtor's ownership of such Intellectual Property, its right to register or patent the same, or its right to keep and maintain the same. If any Debtor's rights to any Intellectual Property are infringed, misappropriated or diluted by a third party, such Debtor shall notify the Administrative Agent in writing at the end of such Fiscal Year in which Debtor learned of such infringement, misappropriation or dilution and shall take all actions as such Debtor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property. Notwithstanding the foregoing to the contrary, a Debtor may permit any Patent, Trademark or other Intellectual Property to lapse if such Debtor determines in its reasonable business judgment that such Patent, Trademark or other Intellectual Property is not used or useful in its business.

5.12 Special Provisions Relating to Certain Collateral.

(a) Contracts.

(i) Anything herein to the contrary notwithstanding, each Debtor shall remain liable to perform all of its duties and obligations under each of the Contracts included in the Collateral to the same extent as if this Agreement had not been executed. The exercise by the Administrative Agent or any other Secured Party of any of the rights and remedies hereunder shall not release any Debtor from any of its duties or obligations under the Contracts. Neither the Administrative Agent nor any other Secured Party shall have any duty, obligation or liability under such Contracts included in the Collateral or otherwise in respect of the Collateral by reason of this Agreement or be obligated to perform any of the obligations or duties of any Debtor under the Contracts or otherwise in respect of the Collateral or to take any action to collect or enforce any claim for payment or any other right assigned hereunder.

(ii) During the existence of an Event of Default, if Debtor fails to perform any agreement contained herein or in any of the Contracts, the Administrative Agent may (but shall not be obligated to) itself perform, or cause the performance of, such agreement, and the reasonable fees, costs and expenses of the Administrative Agent incurred in connection therewith shall be payable by or on behalf of Debtors and shall be Secured Obligations to the Administrative Agent.

(b) Intellectual Property.

(i) For the purpose of enabling the Administrative Agent to exercise rights and remedies under Article VI at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Debtor hereby grants to the Administrative Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to any Debtor) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Debtor, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed

items may be recorded or stored and to all computer programs used for the compilation or printout thereof; provided, however, such license shall only be effective during the existence of an Event of Default.

(ii) Notwithstanding anything contained herein to the contrary, but subject to the provisions of Section 7.4 of the Credit Agreement, so long as no Event of Default shall have occurred and be continuing, each Debtor will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of such Debtor. In furtherance of the foregoing, unless an Event of Default shall have occurred and be continuing, the Administrative Agent shall, from time to time, upon the written request of any Debtor, execute and deliver any instruments, certificates or other documents, in the form so requested, that such Debtor shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (i) immediately above as to any specific Intellectual Property). Further, upon satisfaction of the conditions to termination of this Agreement described in Section 2.02 or the release of any Intellectual Property pursuant to Section 2.03, the Administrative Agent shall grant back to Debtor the license granted pursuant to clause (i) immediately above. The exercise of rights and remedies under Article VI by the Administrative Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by any Debtor in accordance with the first sentence of this clause (ii).

(c) Deposit Accounts. No Debtor shall hereafter establish and maintain any Deposit Account unless (i) the applicable Debtor shall have given the Administrative Agent 30 days' prior written notice of its intention to establish such new Deposit Account and (ii) if such Deposit Account is included in the Collateral, such financial institution and such Debtor shall have duly executed and delivered to the Administrative Agent (or if applicable, the First Lien Administrative Agent) a Deposit Account Control Agreement with respect to such Deposit Account. Notwithstanding the foregoing, no Debtor shall be required to give notice to the Administrative Agent of its intention to establish a Deposit Account with the Administrative Agent or the First Lien Administrative Agent. No Debtor shall grant Control of any Deposit Account to any Person other than the Administrative Agent (or if applicable, the First Lien Administrative Agent).

(d) Letters of Credit. If any Debtor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Debtor, such Debtor shall promptly notify the Administrative Agent thereof and such Debtor shall, at the request of the Administrative Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Administrative Agent (or if applicable, the First Lien Administrative Agent) of the proceeds of any drawing under the letter of credit or (ii) arrange for the Administrative Agent (or if applicable, the First Lien Administrative Agent) to become the transferee beneficiary of such letter of credit, with the Administrative Agent (or if applicable, the First Lien Administrative Agent) agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be applied as provided in the Credit Agreement.

(e) Commercial Tort Claims. If any Debtor shall at any time hold or acquire a commercial tort claim, such Debtor shall immediately notify the Administrative Agent in writing signed by such Debtor of the brief details thereof and grant to the Administrative Agent (or if applicable, the First Lien Administrative Agent) in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent (or if applicable, the First Lien Administrative Agent).

(f) Securities Collateral.

(i) No Debtor shall take any action that would result in (A) the revocation of any election to treat any Securities Collateral as certificated securities, and (B) an election to treat as certificated securities any Securities Collateral that constitute uncertificated securities.

(ii) So long as Administrative Agent has not exercised remedies with respect to the Collateral under this Agreement or any other Loan Document upon the occurrence and during the continuation of an Event of Default, Debtors reserve the right to exercise all voting and other rights, title and interest with respect to the Collateral (except as limited by the Loan Documents) and to receive all income, gains, profits, dividends and other distributions from the Collateral whether non-cash dividends, cash, options, warrants, stock splits, reclassifications, rights, instruments or other investment property or other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such rights and interests (except as limited by the Loan Documents); provided that no vote shall be cast, right exercised or other action taken which would reasonably be expected to result in a Material Adverse Effect.

(iii) In furtherance of the right of the Administrative Agent to exercise voting rights following an Event of Default, each Debtor shall execute and deliver to the Administrative Agent a proxy in a form acceptable to the Administrative Agent with respect to each item of Securities Collateral owned by it. No Debtor shall grant a proxy that would conflict with any proxy granted to the Administrative Agent pursuant to the preceding sentence so long as the Security Interests remain in effect.

ARTICLE VI

REMEDIES

6.01 Events of Default, Etc. If any Event of Default shall have occurred and be continuing, subject to the Intercreditor Agreement:

(a) the Administrative Agent shall have, and in its discretion may exercise, the rights and remedies with respect to this Agreement as more particularly provided herein or in the Credit Agreement;

(b) each Debtor shall, upon the reasonable request of the Administrative Agent, assemble Collateral owned by it (and not otherwise in the possession of the Administrative Agent (or, if applicable, the First Lien Administrative Agent)) at such place or places, reasonably convenient to both the Administrative Agent and such Debtor, designated in such request;

(c) the Administrative Agent may (but shall not be obligated to), without notice to any Debtor and at such times as the Administrative Agent in its sole discretion may determine, exercise any or all of Debtors' rights in, to and under, or in any way connected to, the Collateral and the Administrative Agent shall otherwise have and may (but shall not be obligated to) exercise all of the rights, powers, privileges and remedies with respect to the Collateral of a secured party under the UCC (whether or not said UCC is in effect in the jurisdiction where the rights, powers, privileges and remedies are asserted) and such additional rights, powers, privileges and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights, powers, privileges and remedies hereunder may be asserted, including the right, to the maximum extent permitted by applicable law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Debtors agree to take all such action as may be appropriate to give effect to such right);

(d) the Administrative Agent may (but shall not be obligated to) make any reasonable compromise or settlement it deems desirable with respect to any of the Collateral and may (but shall not be obligated to) extend the time of payment, arrange for payment in installments, or otherwise modify the terms, of all or any part of the Collateral;

(e) the Administrative Agent may (but shall not be obligated to), in its name or in the name of any Debtor or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral;

(f) the Administrative Agent may (but shall not be obligated to) sell, lease, assign or dispose of all or any part of the Collateral which shall then be or shall thereafter come into the possession, custody or control of the Administrative Agent or any other Secured Party or any of their respective agents at such place or places as the Administrative Agent deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof except such notice as is required by applicable law and cannot be waived. If, pursuant to applicable law, prior notice of sale of the Collateral under this Section is required to be given to any Debtor, each Debtor hereby acknowledges that the minimum time required by such applicable law, or if no minimum time is specified, 10 days, shall be deemed a reasonable notice period. The Administrative Agent or any other Secured Party or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the maximum extent permitted by applicable law, at any private sale) and thereafter hold the same absolutely, free from any

claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of Debtors, any such demand, notice and right or equity being hereby expressly waived and released to the maximum extent permitted by applicable law. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned. The Collateral may be sold in one or more sales, at public or private sale, conducted by any officer or agent of, or auctioneer or attorney for, the Administrative Agent, at the Administrative Agent's place of business or elsewhere, for cash, upon credit or for other property, for immediate or future delivery, and at such price or prices and on such terms as the Administrative Agent shall deem appropriate in its reasonable discretion. The Administrative Agent may, in its reasonable discretion, at any such sale restrict the prospective bidders or purchasers as to their number, nature of business and investment intention to the extent necessary to comply with applicable law. Upon any public or private sale the Administrative Agent shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels. The Administrative Agent shall not be obligated to make any sale pursuant to any such notice. In case of any sale of all of any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by the Administrative Agent until the full selling price is paid by the purchaser thereof, but neither the Administrative Agent nor any Secured Party shall incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold, and, in case of any such failure, such Collateral may again be sold pursuant to the provisions hereof. All cash proceeds of any such sale, and any other realization upon all or any part of the Collateral may, in the sole discretion of the Administrative Agent, be held by the Administrative Agent as collateral for or applied then or at any time thereafter, in whole or in part, by the Administrative Agent for the benefit of the Secured Parties to the payment and satisfaction of the Secured Obligations in accordance with Section 6.04;

(g) upon request of the Administrative Agent, each Debtor shall promptly notify (and each Debtor hereby authorizes the Administrative Agent so to notify) each account debtor in respect of any Accounts or Instruments that such Collateral has been assigned to the Administrative Agent hereunder, and that any payments due or to become due in respect of such Collateral are to be made directly to the Administrative Agent;

(h) the Administrative Agent shall have the right to endorse, assign or otherwise transfer to or to register in the name of the Administrative Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral, without any indication that such Securities Collateral is subject to the Security Interests hereunder. In addition, the Administrative Agent shall have the right at any time to exchange certificates representing or evidencing Securities Collateral for certificates of smaller or larger denominations;

(i) the Administrative Agent may vote or exercise any and all of the Debtors' rights or powers incident to their ownership of the Securities Collateral, including any rights or powers to manage or control the Guarantors;

(j) the Administrative Agent may cause any action at law or suit in equity or other proceeding to be instituted and prosecuted to enforce any rights vested in it by this Agreement or by law or included in the Collateral, subject to the provisions and requirements hereof and thereof, or to aid in the exercise of any power herein or therein granted, or for any foreclosure hereunder and sale under a judgment or decree in any judicial proceeding;

(k) in connection with any acceleration and foreclosure, the Administrative Agent may lawfully and peacefully take possession of the Collateral and lawfully and peacefully render it usable and repair and renovate the same, without, however, any obligation to do so, and lawfully and peacefully enter upon any location where the Collateral may be located for that purpose, control, manage, operate, rent and lease the Collateral, collect all rents and income from the Collateral and apply the same to reimburse the Secured Parties for any cost or expenses incurred hereunder or under any of the Loan Documents and to the payment or performance of any Debtor's obligations hereunder or under any of the Loan Documents, and apply the balance to the other Secured Obligations and any remaining excess balance to whomsoever is legally entitled thereto;

(l) the Administrative Agent may secure the appointment of a receiver for the Collateral or any part thereof;

(m) the Administrative Agent may lawfully and peacefully occupy any premises owned or leased by any Debtor where the Collateral or any part thereof is assembled for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to any Debtor in respect of such occupation;

(n) the Administrative Agent may give instructions to the issuer of any Securities Collateral that is an uncertificated security with respect to such uncertificated security.

Each Debtor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, subject to the notice provision provided for in paragraph (f) of this Section 6.01, with respect to any sale of all or any part of the Collateral constituting a security (as such term is defined in the Securities Act of 1933), to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Each Debtor acknowledges that any such private sale may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit any Debtor or the issuer thereof to register it for public sale.

6.02 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral by virtue of the exercise of remedies under Section 6.01 are insufficient to cover the costs and expenses of such exercise and the payment in full of the Secured Obligations, the Administrative Agent shall retain all rights and remedies under the Loan Documents, and each Debtor shall remain liable, with respect to any deficiency.

6.03 Private Sale. The Administrative Agent and the other Secured Parties shall incur no liability as a result of the sale, lease or other disposition of all or any part of the Collateral, at any private sale pursuant to Section 6.01 conducted in a commercially reasonable manner. Subject to and without limitation of the preceding sentence, each Debtor hereby waives any claims against the Administrative Agent or any other Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price that might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Administrative Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

6.04 Application of Proceeds. Except as otherwise herein expressly provided, and subject to the Intercreditor Agreement, the proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under this Article VI, shall be applied by the Administrative Agent as follows:

First, to the payment of the costs and expenses of such exercise of remedies, including reasonable out-of-pocket costs and expenses of the Administrative Agent, the reasonable fees and expenses of its agents and counsel and all other reasonable expenses incurred and advances made by the Administrative Agent in that connection;

Second, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts, including attorney fees, payable to the Administrative Agent in its capacity as such and the Arranger in its capacity as such, ratably among the Administrative Agent and the Arranger in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Secured Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders under the Loan Documents, including attorney fees, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Secured Obligations constituting unpaid principal of the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause Fifth held by them; and

Last, the balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Borrowers or as otherwise required by applicable law.

6.05 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Event of Default, each Debtor hereby appoints the Administrative Agent as the attorney-in-fact of such Debtor for the purpose of carrying out the provisions of this Article VI and taking any action and executing any instruments that the Administrative Agent may deem necessary or desirable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Administrative Agent shall be entitled under this Article VI to make collections in respect of the Collateral and subject to the Intercreditor Agreement, the Administrative Agent shall have the right and power

(a) to receive, endorse and collect all checks made payable to the order of any Debtor representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same;

(b) to file any claims or take any action or institute any proceedings in connection therewith which the Administrative Agent may deem to be necessary or advisable;

(c) to pay, settle or compromise all bills and claims which may be or become liens or security interests against any or all of the Collateral, or any part thereof, unless a bond or other security satisfactory to the Administrative Agent has been provided; and

(d) upon foreclosure, to do any and every act which any Debtor may do on its behalf with respect to the Collateral or any part thereof and to exercise any or all of such Debtor's rights and remedies under any or all of the Collateral;

provided, however, that the Administrative Agent shall not exercise any such rights except upon the occurrence and continuation of an Event of Default. This power of attorney is a power coupled with an interest and shall be irrevocable.

6.06 Expenses.

(a) Subject to Section 10.5 of the Credit Agreement, the Administrative Agent may incur, and Debtors shall pay to the Administrative Agent, all reasonable fees and out-of-pocket expenses (including reasonable fees and expenses for legal services) of, or incident to, the enforcement of any of the provisions of this Article VI, or exercise by experts, agents or attorneys selected by the Administrative Agent in good faith of any rights or privileges of Debtors in respect of the Collateral, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Administrative Agent and the other Secured Parties in respect thereof, by litigation or otherwise, and all such fees and expenses and, to the extent such amounts are not timely paid, together with interest thereon at the applicable rate provided for in Section 2.14 of the Credit Agreement, shall be Secured Obligations of the Administrative Agent secured under Article II. All amounts payable by the Debtors under this Section 6.06(a) shall be payable within ten (10) Business Days of demand thereof.

(b) The terms, conditions, covenants and agreements to be observed or performed by each Debtor under this Agreement shall be observed or performed by it at its sole cost and expense.

6.07 Administrative Agent's Right to Perform on Debtor's Behalf. If any Debtor fails to perform any of its obligations under this Agreement, the Administrative Agent may (but shall not be obligated to), upon reasonable notice to such Debtor, unless such Debtor is diligently pursuing a cure for such failure that cannot be obtained more quickly by the Administrative Agent's performance as specified herein, itself perform or cause to be performed such obligations at the expense of such Debtor, either in its name or in the name and on behalf of such Debtor.

6.08 Custody and Preservation. The Administrative Agent's obligation to use reasonable care in the custody and preservation of Collateral shall be satisfied if it uses the same care as it uses in the custody and preservation of its own property.

6.09 Preservation of Rights. Neither the Administrative Agent nor any Secured Party shall be required to take any steps to preserve any rights against prior parties to any of the Collateral.

6.10 Rights of Secured Parties. The Administrative Agent or any other Secured Party may (but shall not be obligated to) pay or secure payment of any Tax or other claim that may be secured by or result in a Lien on any Collateral other than a Permitted Lien. The Administrative Agent or any other Secured Party may (but shall not be obligated to) do any other thing that it in good faith believes is necessary or desirable to preserve, protect or maintain the Collateral or, after an Event of Default, to enhance its value. Debtors shall immediately reimburse the Administrative Agent or any other Secured Party for any reasonable payment or expense (including reasonable attorneys' fees and expenses) that the Administrative Agent or such other Secured Party may incur pursuant to this Section 6.10.

6.11 No Marshalling. Neither the Administrative Agent nor any Secured Party shall be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order.

6.12 Remedies Cumulative. No right, power or remedy herein conferred upon or reserved to the Administrative Agent or any other Secured Party is intended to be exclusive of any other right, power or remedy, and every such right, power and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right, power and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder or otherwise shall not prevent the concurrent assertion or employment of any other appropriate right or remedy. Resort to any or all security now or hereafter held by the Administrative Agent may be taken concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken nonjudicial proceedings, or both.

ARTICLE VII

MISCELLANEOUS

7.01 Waivers of Rights Inhibiting Enforcement. Each Debtor waives, for itself and all who may claim under it, to the maximum extent permitted by applicable law:

(a) any claim that, as to any part of the Collateral, a public sale, should the Administrative Agent elect so to proceed, is, in and of itself, not a commercially reasonable method of sale for the Collateral;

(b) the right to assert in any action or proceeding between it and the Administrative Agent any offsets or counterclaims that it may have;

(c) except as otherwise provided in this Agreement, NOTICE OR JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR DISPOSITION OF ANY OF THE COLLATERAL DURING THE EXISTENCE OF AN EVENT OF DEFAULT INCLUDING ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT THAT ANY DEBTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, AND ALL OTHER REQUIREMENTS AS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER;

(d) all rights of redemption, appraisement, valuation, stay, extension or moratorium; and

(e) the right to invoke any law requiring marshalling of collateral and all other rights the exercise of which would, directly or indirectly, prevent, delay or inhibit the enforcement of any of the rights or remedies of the Administrative Agent and the other Secured Parties under this Agreement or the absolute sale of the Collateral, now or hereafter in force under any applicable law.

7.02 Notices. The Administrative Agent or any Debtor shall give any notice, request, demand or other communication (a "Notice") pursuant to this Agreement in accordance with Section 10.2 of the Credit Agreement. Any Notice to the Debtor shall be sent to the address of the Borrowers set forth in the Credit Agreement or to such other address provided by such Debtor to the Administrative Agent in writing. Any Notice sent as hereinabove provided shall be deemed delivered upon receipt or refusal of delivery.

7.03 Assignment. Except as permitted by the Credit Agreement, no Debtor may assign any of its rights or delegate any performance under this Agreement (whether voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law or any other manner) except with the prior written consent of the Administrative Agent, which consent may be withheld in the Administrative Agent's sole discretion. Any purported assignment without such consent is void. When any Lender assigns or otherwise transfers any interest held by it

under the Credit Agreement or other Loan Document to any other Person pursuant to the terms of the Credit Agreement or such other Loan Document, that other Person shall thereupon become vested with all the benefits held by such Lender under this Agreement.

7.04 Successors and Assigns. This Agreement binds the Debtors and their respective successors and assigns and inures to the benefit of the Administrative Agent, the other Secured Parties and their respective successors and assigns.

7.05 Amendment and Waiver. No amendment or waiver of any provision of this Agreement, nor consent to any departure by any Debtor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and the Debtors; provided that any amendment, waiver or consent shall be signed by (or signed with the consent of) the Required Lenders or all of the Lenders to the extent required by Section 10.1 of the Credit Agreement. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

7.06 No Implied Waiver. No failure or delay in exercising any right, power or privilege or requiring the satisfaction of any condition hereunder, and no course of dealing between the Debtors and the Administrative Agent operates as a waiver or estoppel of any right, remedy or condition. No single or partial exercise of any right or remedy under this Agreement precludes any simultaneous or subsequent exercise of any other right, power or privilege. The rights and remedies set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity or by statute.

7.07 Severability. In case one or more provisions of this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality, and enforceability of the remaining provisions contained herein or therein shall not be affected or impaired thereby.

7.08 Entire Agreement. This Agreement and the other Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and supersede all prior or contemporaneous oral or written negotiations and agreements relating to the subject matter hereof. The provisions of this Agreement may not be explained, supplemented or qualified through evidence or trade usage or a prior course of dealing. In entering into this Agreement, the Debtors have not relied upon any statement, representation, warranty or agreement of the Administrative Agent except as set forth in the Loan Documents.

7.09 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

7.10 Governing Law. The laws of the State of New York (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement and all of the transactions it contemplates, including without limitation its validity, interpretation, construction, performance (including the details of performance) and enforcement, except to the extent that the validity or perfection of the security interests hereunder, or remedies hereunder, in respect of any particular Collateral are governed by the laws of a jurisdiction other than the State of New York.

7.11 Headings. The descriptive headings of the articles, sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

7.12 Interpretation. This Agreement has been reviewed and negotiated by counsel for both the Debtors and the Administrative Agent and, consequently, this Agreement shall not be construed against the drafter.

7.13 Waiver of Jury Trial. THE DEBTORS AND THE ADMINISTRATIVE AGENT HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

7.14 Survival, Etc. The provisions of Sections 2.07, 6.03, 6.06, 6.08, 6.09, 6.10, 7.01, 7.16, 7.17 and 7.19 shall survive the termination of this Agreement. In addition, the representations, warranties and covenants of the Debtors set out in this Agreement or contained in any documents delivered to the Administrative Agent or any other Secured Party pursuant to this Agreement shall survive the execution and delivery of this Agreement.

7.15 Agents, Etc. The Administrative Agent may employ agents, experts and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents, experts or attorneys-in-fact selected by it in good faith.

7.16 Limitation of Liability. NEITHER THE ADMINISTRATIVE AGENT NOR ANY SECURED PARTY SHALL HAVE LIABILITY WITH RESPECT TO, AND DEBTORS HEREBY WAIVE, RELEASE AND AGREE NOT TO SUE FOR:

(a) ANY LOSS OR DAMAGE SUSTAINED BY ANY DEBTOR, OR ANY LOSS, DAMAGE, DEPRECIATION OR OTHER DIMINUTION IN THE VALUE OF ANY COLLATERAL, THAT MAY OCCUR AS A RESULT OF, IN CONNECTION WITH, OR THAT IS IN ANY WAY RELATED TO, ANY EXERCISE OF ANY RIGHT OR REMEDY UNDER THIS AGREEMENT EXCEPT FOR ANY SUCH LOSS, DAMAGE, DEPRECIATION OR DIMINUTION TO THE EXTENT THAT THE SAME IS THE RESULT OF ACTS OR OMISSIONS ON THE PART OF SUCH SECURED PARTY CONSTITUTING WILLFUL MISCONDUCT OR GROSS NEGLIGENCE (AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION); OR

(b) ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY ANY DEBTOR IN CONNECTION WITH ANY CLAIM RELATED TO THIS AGREEMENT.

7.17 Subrogation. Each Debtor shall not exercise, and hereby irrevocably waives, any claim, right or remedy that it may now have or may hereafter acquire against any

other Debtor arising under or in connection with this Agreement, including, without limitation, any claim, right or remedy of subrogation, contribution, reimbursement, exoneration, indemnification or participation arising under contract, by applicable law or otherwise in any claim, right or remedy of the Administrative Agent or the other Secured Parties against such Debtor or any other Person or any Collateral which the Administrative Agent or any other Secured Party may now have or may hereafter acquire, until the indefeasible payment and satisfaction in full of all Secured Obligations and the expiration and termination of the Commitments. If, notwithstanding the preceding sentence, any amount shall be paid to any Debtor on account of such subrogation rights at any time when any of the Secured Obligations shall not have been paid in full, such amount shall be held by such Debtor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Debtor and, subject to the Intercreditor Agreement, be turned over to the Administrative Agent in the exact form received by such Debtor (duly endorsed by such Debtor to the Administrative Agent, if required), to be applied against the Secured Obligations, whether matured or unmatured, in accordance with the Loan Documents. Notwithstanding the foregoing, the Debtors shall be expressly permitted hereunder to make payments to each other to the extent not prohibited by the Credit Agreement.

7.18 Conflict with Credit Agreement; Intercreditor Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall control. Notwithstanding anything herein to the contrary, including the previous sentence (i) the liens and security interests granted to the Administrative Agent pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the Senior Priority Secured Parties (as defined in the Intercreditor Agreement), including liens and security interests granted to JPMorgan Chase Bank, N.A., as administrative agent, pursuant to or in connection with the First Lien Credit Agreement and (ii) the exercise of any right or remedy by the Administrative Agent or any other Secured Party hereunder is subject to the limitations and provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and the terms of this Agreement, the terms of the Intercreditor Agreement shall govern.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWERS:

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President and Interim Chief Executive Officer

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President

GUARANTORS:

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
a Florida corporation;
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
an Alabama corporation;
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
a South Carolina corporation;
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
a Virginia corporation;
HMR ACQUISITION, INC.,
a Delaware corporation;
ACCUMED GENPAR, L.L.C.,
a Texas limited liability company;
ACCUMED HOLDING, L.L.C.,
a Delaware limited liability company;
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
a Georgia limited liability company;
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.,
a Texas limited liability company;
ADVENTA HOSPICE, L.L.C.,
a Florida limited liability company;
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
a Delaware limited liability company;
AMEDISYS AIR, L.L.C.,
a Louisiana limited liability company;
AMEDISYS ALABAMA, L.L.C.,
an Alabama limited liability company;
AMEDISYS ALASKA, LLC,
an Alaska limited liability company;
AMEDISYS ARIZONA, L.L.C.,
an Arizona limited liability company;
AMEDISYS ARKANSAS, LLC,
an Arkansas limited liability company;
AMEDISYS BA, LLC,
a Delaware limited liability company;
AMEDISYS CALIFORNIA, L.L.C.,
a California limited liability company;

AMEDISYS COLORADO, L.L.C.,
a Colorado limited liability company;
AMEDISYS CONNECTICUT, L.L.C.,
a Connecticut limited liability company;
AMEDISYS DELAWARE, L.L.C.,
a Delaware limited liability company;
AMEDISYS FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS GEORGIA, L.L.C.,
a Georgia limited liability company;
AMEDISYS HOSPICE, L.L.C.,
a Louisiana limited liability company;
AMEDISYS IDAHO, L.L.C.,
an Idaho limited liability company;
AMEDISYS ILLINOIS, L.L.C.,
an Illinois limited liability company;
AMEDISYS INDIANA, L.L.C.,
an Indiana limited liability company;
AMEDISYS IOWA, L.L.C.,
an Iowa limited liability company;
AMEDISYS KANSAS, L.L.C.,
a Kansas limited liability company;
AMEDISYS LA ACQUISITIONS, L.L.C.,
a Louisiana limited liability company;
AMEDISYS LOUISIANA, L.L.C.,
a Louisiana limited liability company;
AMEDISYS MAINE, P.L.L.C.,
a Maine professional limited liabilitycompany;
AMEDISYS MARYLAND, L.L.C.,
a Maryland limited liability company;
AMEDISYS MASSACHUSETTS, L.L.C.,
a Massachusetts limited liability company;
AMEDISYS MICHIGAN, L.L.C.,
a Michigan limited liability company;
AMEDISYS MINNESOTA, L.L.C.,
a Minnesota limited liability company;
AMEDISYS MISSISSIPPI, L.L.C.,
a Mississippi limited liability company;
AMEDISYS MISSOURI, L.L.C.,
a Missouri limited liability company;
AMEDISYS NEBRASKA, L.L.C.,
a Nebraska limited liability company;
AMEDISYS NEVADA, L.L.C.,
a Nevada limited liability company;

AMEDISYS NEW HAMPSHIRE, L.L.C.,
a New Hampshire limited liability company;
AMEDISYS NEW JERSEY, L.L.C.,
a New Jersey limited liability company;
AMEDISYS NEW MEXICO, L.L.C.,
a New Mexico limited liability company;
AMEDISYS NORTH CAROLINA, L.L.C.,
a North Carolina limited liability company;
AMEDISYS NORTH DAKOTA, L.L.C.,
a North Dakota limited liability company;
AMEDISYS NORTHWEST, L.L.C.,
a Georgia limited liability company;
AMEDISYS OHIO, L.L.C.,
an Ohio limited liability company;
AMEDISYS OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS OREGON, L.L.C.,
an Oregon limited liability company;
AMEDISYS PENNSYLVANIA, L.L.C.,
a Pennsylvania limited liability company;
AMEDISYS PROPERTY, L.L.C.,
a Louisiana limited liability company;
AMEDISYS PUERTO RICO, L.L.C.,
a Puerto Rican limited liability company;
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
an Oklahoma limited liability company;
AMEDISYS RHODE ISLAND, L.L.C.,
a Rhode Island limited liability company;
AMEDISYS SC, L.L.C.,
a South Carolina limited liability company;
AMEDISYS SOUTH DAKOTA, L.L.C.,
a South Dakota limited liability company;
AMEDISYS SOUTH FLORIDA, L.L.C.,
a Florida limited liability company;
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
a Louisiana limited liability company;
AMEDISYS SP-IN, L.L.C.,
an Indiana limited liability company;
AMEDISYS SP-KY, L.L.C.,
a Kentucky limited liability company;
AMEDISYS SP-OH, L.L.C.,
an Ohio limited liability company;

AMEDISYS SP-TN, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TENNESSEE, L.L.C.,
a Tennessee limited liability company;
AMEDISYS TEXAS, L.L.C.,
a Texas limited liability company;
AMEDISYS TLC, ACQUISITION, L.L.C.,
a Louisiana limited liability company;
AMEDISYS UTAH, L.L.C.,
a Utah limited liability company;
AMEDISYS VENTURES, L.L.C.,
a Delaware limited liability company;
AMEDISYS VIRGINIA, L.L.C.,
a Virginia limited liability company;
AMEDISYS WASHINGTON, L.L.C.,
a Washington limited liability company;
AMEDISYS WESTERN, L.L.C.,
a Delaware limited liability company;
AMEDISYS WEST VIRGINIA, L.L.C.,
a West Virginia limited liability company;
AMEDISYS WISCONSIN, L.L.C.,
a Wisconsin limited liability company;
ANMC VENTURES, L.L.C.,
a Louisiana limited liability company;
AVENIR VENTURES, L.L.C.,
a Louisiana limited liability company;
BEACON HOSPICE, L.L.C.,
a Delaware limited liability company;
BROOKSIDE HOME HEALTH, LLC,
a Virginia limited liability company;
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
a Tennessee limited liability company;
EMERALD CARE, L.L.C.,
a North Carolina limited liability company,
FAMILY HOME HEALTH CARE, L.L.C.,
a Kentucky limited liability company;
HHC, L.L.C.,
a Tennessee limited liability company;
HOME HEALTH OF ALEXANDRIA, L.L.C.,
a Louisiana limited liability company;
HORIZONS HOSPICE CARE, L.L.C.,
an Alabama limited liability company;
HOUSECALL, L.L.C.,
a Tennessee limited liability company;

HOUSECALL HOME HEALTH, L.L.C.,
a Tennessee limited liability company;
HOUSECALL MEDICAL RESOURCES, L.L.C.,
a Delaware limited liability company;
HOUSECALL MEDICAL SERVICES, L.L.C.,
a Tennessee limited liability company;
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
a Florida limited liability company;
MC VENTURES, LLC,
a Mississippi limited liability company;
M.M. ACCUMED VENTURES, L.L.C.,
a Texas limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
a New York limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
a Delaware limited liability company;

TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
a Delaware limited liability company;
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
a Delaware limited liability company;
TLC HOLDINGS I, L.L.C.,
a Delaware limited liability company;
TLC HEALTH CARE SERVICES, L.L.C.,
a Delaware limited liability company;
ACCUMED HEALTH SERVICES, L.L.C.,
a Texas limited liability company;
NINE PALMS 1, L.L.C.,
a Virginia limited liability company; and
NINE PALMS 2, LLP,
a Mississippi limited liability partnership
By: MCVENTURES, LLC, its general partner

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President

ADMINISTRATIVE AGENT:

CORTLAND CAPITAL MARKET SERVICES LLC,
not in its individual capacity but solely as Administrative Agent

By: /s/ Emily Ergang Pappas
Name: Emily Ergang Pappas
Title: Associate Counsel

[Signature Page to Second Lien Security and Pledge Agreement]

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Section 9: EX-10.10 (EX-10.10)

Exhibit 10.10

EXECUTION VERSION

INTERCREDITOR AGREEMENT

Intercreditor Agreement (this "**Agreement**"), dated as of July 28, 2014, among JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**First Priority Representative**") for the First Priority Secured Parties (as defined below), CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**Second Priority Representative**") for the Second Priority Secured Parties (as defined below), AMEDISYS, INC. and AMEDISYS HOLDING, L.L.C. (collectively, the "**Borrower**") and each of the other Loan Parties (as defined below) party hereto.

WHEREAS, the Borrower, the First Priority Representative and certain financial institutions and other entities are parties to that certain Credit Agreement among the Borrower, the Lenders party thereto and the First Priority Representative as Administrative Agent dated as of October 26, 2012 (as amended, the "**Existing First Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the Second Priority Representative and certain financial institutions and other entities are parties to that certain Second Lien Credit Agreement among the Borrower, the Lenders party thereto and the Second Priority Representative as Administrative Agent dated as of the date hereof (the "**Existing Second Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans to the Borrower; and

WHEREAS, the Borrower and the other Loan Parties have granted to the First Priority Representative security interests in the Common Collateral as security for payment and performance of the First Priority Obligations; and

WHEREAS, the Borrower and the other Loan Parties propose to grant to the Second Priority Representative junior security interests in the Common Collateral as security for payment and performance of the Second Priority Obligations; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions.*

1.1. Defined Terms. The following terms, as used herein, have the following meanings:

"**Additional First Priority Agreement**" means any agreement approved for designation as such by the First Priority Representative and the Second Priority Representative.

"**Additional Second Priority Agreement**" means any agreement approved for designation as such by the First Priority Representative and the Second Priority Representative.

"**Bankruptcy Code**" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"**Borrower**" has the meaning set forth in the introductory paragraph hereof.

"**Buyout Proceeding**" means (1) any case commenced by or against a Borrower or any other Loan Party under the Bankruptcy Code or any other bankruptcy law, any other proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of a Borrower or any other Loan Party, any receivership or assignment for the benefit of creditors relating to a Borrower or any other Loan Party or any similar case or proceeding relative to a Borrower or any other Loan Party or its creditors, as such, in each case whether or not voluntary, provided in the case of any involuntary proceeding commenced against a Borrower or any other Loan Party, such proceeding remains undismissed for a period of 60 days, (2) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to a Borrower or any other Loan Party, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency, other than such liquidations and dissolutions of Loan Parties as may be permitted by the First Priority Agreement or (3) any other proceeding of any type or nature in which substantially all claims of creditors of any Borrower or any other Loan Party are determined and any payment or distribution is or may be made on account of such claims.

"**Cash Management Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Secured Party (or any of its affiliates) in respect of treasury management arrangements, depositary or other cash management services.

"**Common Collateral**" means all assets that are both First Priority Collateral and Second Priority Collateral.

"**Comparable Second Priority Security Document**" means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"**DIP Financing**" has the meaning set forth in Section 5.2.

"**Effective Yield**" has the meaning set forth in the First Priority Agreement.

"**Enforcement Action**" means, with respect to the First Priority Obligations or the Second Priority Obligations, any demand for payment or acceleration thereof, the exercise of any rights and remedies securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies with respect to the Common Collateral under, as applicable, the First Priority Documents or the Second Priority Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction or under the Bankruptcy Code.

"**Existing First Priority Agreement**" has the meaning set forth in the first WHEREAS clause of this Agreement.

"**Existing Second Priority Agreement**" has the meaning set forth in the second WHEREAS clause of this Agreement.

"**First Priority Agreement**" means the collective reference to (a) the Existing First Priority Agreement, (b) any Additional First Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing First Priority Agreement, any Additional First Priority Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a First Priority Agreement hereunder (a "**Replacement First Priority Agreement**"). Any reference to the First Priority Agreement hereunder shall be deemed a reference to any First Priority Agreement then extant.

"**First Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any First Priority Secured Party as security for any First Priority Obligation.

"**First Priority Creditors**" means the "Lenders" as defined in the First Priority Agreement, or any Persons that are designated under the First Priority Agreement as the "First Priority Creditors" for purposes of this Agreement.

"**First Priority Documents**" means the First Priority Agreement, each First Priority Security Document and each First Priority Guarantee.

"**First Priority Guarantee**" means any guarantee by any Loan Party of any or all of the First Priority Obligations.

"**First Priority Lien**" means any Lien created by the First Priority Security Documents.

"**First Priority Obligations**" means the "**Obligations**" as defined in the First Priority Agreement, and shall also include to the extent not otherwise included (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the First Priority Agreement, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the First Priority Agreement, (c) all Hedging Obligations, (d) all Cash Management Obligations and (e) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the First Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**First Priority Obligations Payment Date**" means the first date on which (a) the First Priority Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the First Priority Documents), (b) all commitments to extend credit under the First Priority Documents have been terminated, (c) there are no outstanding letters of credit or similar instruments issued under the First Priority Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the First Priority Security Documents), and (d) the First Priority Representative has delivered a written notice to the Second Priority Representative stating that the events described in clauses (a), (b) and (c) have occurred to the satisfaction of the First Priority Secured Parties.

"**First Priority Representative**" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement First Priority Agreement, the First Priority Representative shall be the Person identified as such in such Agreement.

"**First Priority Secured Parties**" means the First Priority Representative, the First Priority Creditors and any other holders of the First Priority Obligations.

"**First Priority Security Documents**" means the "Security Documents" as defined in the First Priority Agreement, and any other documents that are designated under the First Priority Agreement as "First Priority Security Documents" for purposes of this Agreement.

"**Hedging Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Creditor (or any of its affiliates) in respect of any swap agreement or hedge agreement in respect of interest rates, currency exchange rates or commodity prices.

"**Insolvency Proceeding**" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"**Lien**" means, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, hypothecation, assignment, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"**Loan Party**" means the Borrower and each direct or indirect subsidiary of the Borrower that is now or hereafter becomes a party to any First Priority Document or Second Priority Document. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding.

"**Person**" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

"**Post-Petition Interest**" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"**Replacement First Priority Agreement**" has the meaning set forth in the definition of "First Priority Agreement".

"**Second Priority Agreement**" means the collective reference to (a) the Existing Second Priority Agreement, (b) any Additional Second Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture, or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Second Priority Agreement, any Additional Second Priority Agreement or any other agreement or instrument referred to in this clause (c). Any reference to the Second Priority Agreement hereunder shall be deemed a reference to any Second Priority Agreement then extant.

"**Second Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any Second Priority Secured Party as security for any Second Priority Obligation.

"**Second Priority Creditors**" means the "Lenders" as defined in the Second Priority Agreement, or any Persons that are designated under the Second Priority Agreement as the "Second Priority Creditors" for purposes of this Agreement.

"**Second Priority Documents**" means each Second Priority Agreement, each Second Priority Security Document and each Second Priority Guarantee.

"**Second Priority Guarantee**" means any guarantee by any Loan Party of any or all of the Second Priority Obligations.

"**Second Priority Lien**" means any Lien created by the Second Priority Security Documents.

"**Second Priority Obligations**" means (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all indebtedness under the Second Priority Agreement, and (b) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the Second Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**Second Priority Representative**" has the meaning set forth in the introductory paragraph hereof, but shall also include any Person identified as a "Second Priority Representative" in any Second Priority Agreement other than the Existing Second Priority Agreement.

"**Second Priority Secured Party**" means the Second Priority Representative, the Second Priority Creditors and any other holders of the Second Priority Obligations.

"**Second Priority Security Documents**" means the "Security Documents" as defined in the Second Priority Agreement and any documents that are designated under the Second Priority Agreement as "Second Priority Security Documents" for purposes of this Agreement.

"**Secured Parties**" means the First Priority Secured Parties and the Second Priority Secured Parties.

"**Unasserted Contingent Obligations**" shall mean, at any time, First Priority Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any First Priority Obligation and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of First Priority Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.2 Amended Agreements. All references in this Agreement to agreements or other contractual obligations shall, unless otherwise specified, be deemed to refer to such agreements or contractual obligations as amended, supplemented, restated or otherwise modified from time to time.

SECTION 2. Lien Priorities.

2.1 Subordination of Liens. (a) Any and all Liens now existing or hereafter created or arising in favor of any Second Priority Secured Party securing the Second Priority Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens now existing or hereafter created or arising in favor of the First Priority Secured Parties securing the First Priority Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any First Priority Secured Party securing any of the First Priority Obligations are (x) subordinated to any Lien securing any obligation of any Loan Party other than the Second Priority Obligations or (y) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) No First Priority Secured Party or Second Priority Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to the other. Notwithstanding any failure by any First Priority Secured Party or Second Priority Secured Party to perfect its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Common Collateral granted to the First Priority Secured Parties or the Second Priority Secured Parties, the priority and rights as between the First Priority Secured Parties and the Second Priority Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of First Priority Obligations. The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties acknowledges that a portion of the First Priority Obligations represents debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the First Priority Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the First Priority Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Second Priority Secured Parties and without affecting the provisions hereof. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the First Priority Obligations or the Second Priority Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens. (a) The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties agrees that UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the Second Priority Representative shall be in form satisfactory to the First Priority Representative.

(b) The Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that all mortgages, deeds of trust, deeds and similar instruments (collectively, "**mortgages**") now or thereafter filed against real property in favor of or for the benefit of the Second Priority Representative shall be in form satisfactory to the First Priority Representative and shall contain the following notation: "The lien created by this mortgage on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to JPMorgan Chase Bank, N.A., as Administrative Agent, and its successors and assigns, in such property, in accordance with the provisions of the Intercreditor Agreement dated as of July 28, 2014 among JPMorgan Chase Bank, N.A., as Administrative Agent for the First Priority Secured Parties referred to therein, Cortland Capital Market Services LLC, as Administrative Agent for the Second Priority Secured Parties referred to therein, and the Loan Parties referred to therein, as amended from time to time."

(c) The First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the First Priority Security Documents, such possession or control is also for the benefit of the Second Priority Representative and the other Second Priority Secured Parties solely to the extent required to perfect their security interest in such Common Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide the Second Priority Representative or any other Second Priority Secured Party with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Security Documents, provided that subsequent to the occurrence of the First Priority Obligations Payment Date, the First Priority Representative shall (i) deliver to the Second Priority Representative, at the Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and provided, further, that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties and the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

2.4 No New Liens. So long as the First Priority Obligations Payment Date has not occurred, the parties hereto agree that (a) there shall be no Lien, and no Loan Party shall have any right to create any Lien, on any assets of any Loan Party securing any Second Priority Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the First Priority Obligations and (b) if any Second Priority Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Second Priority Obligation which assets are not also subject to the first-priority Lien of the First Priority Representative under the First Priority Documents, then the Second Priority Representative, upon demand by the First Priority Representative, will without the need for any further consent of any other Second Priority Secured Party, notwithstanding anything to the contrary in any other Second Priority Document either (i) release such Lien or (ii) assign it to the First Priority Representative as security for the First Priority Obligations (in which case the Second Priority Representative may retain a junior lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Priority Secured Parties, the Second Priority Representative and the other Second Priority Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement. Until the First Priority Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the First Priority Secured Parties shall have the exclusive right to take and continue any Enforcement Action, without any consultation with or consent of any Second Priority Secured Party, but subject to the provisos set forth in Sections 3.2 and 5.1. Upon the occurrence and during the continuance of a default or an event of default under the First Priority Documents, the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the First Priority Obligations and the Common Collateral in such order and manner as they may determine in their sole discretion.

3.2 Standstill and Waivers. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, until the First Priority Obligations Payment Date has occurred, subject to the provisos set forth in this Section 3.2 and Section 5.1:

(a) they will not take or cause to be taken any Enforcement Action;

(b) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any Second Priority Obligation pari passu with or senior to, or to give any Second Priority Secured Party any preference or priority relative to, the Liens with respect to the First Priority Obligations or the First Priority Secured Parties with respect to any of the Common Collateral;

(c) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Common Collateral by any First Priority Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) by or on behalf of any First Priority Secured Party;

(d) they have no right to (i) direct either the First Priority Representative or any other First Priority Secured Party to exercise any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or (ii) consent or object to the exercise by the First Priority Representative or any other First Priority Secured Party of any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (d), whether as a junior lien creditor or otherwise, they hereby irrevocably waive such right);

(e) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any First Priority Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no First Priority Secured Party shall be liable for, any action taken or omitted to be taken by any First Priority Secured Party with respect to the Common Collateral or pursuant to the First Priority Documents; and

(f) they will not seek, and hereby waive any right, to have the Common Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Common Collateral.

provided that, notwithstanding the foregoing, any Second Priority Secured Party may exercise its rights and remedies in respect of the Common Collateral under the Second Priority Security Documents or applicable law after the passage of a period of 180 days (the "**Standstill Period**") from the date of delivery of a notice in writing to the First Priority Representative of its intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of and during the continuation of an "Event of Default" under and as defined in the Second Priority Agreement; provided, further, however, that, notwithstanding the foregoing, in no event shall any Second Priority Secured Party exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the Standstill Period, (i) any First Priority Secured Party shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to any of the Common Collateral (prompt notice of such exercise to be given to the Second Priority Representative) or (ii) an Insolvency Proceeding in respect of any Loan Party shall have been commenced; and provided, further, that in any Insolvency Proceeding commenced by or against any Loan Party, the Second Priority Representative and the Second Priority Secured Parties may take any action expressly permitted by Section 5.

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations) to the same extent as all other Liens securing the Second Priority Obligations are subject to the terms of this Agreement.

3.4 Cooperation. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that each of them shall take such actions as the First Priority Representative shall request in connection with the exercise by the First Priority Secured Parties of their rights set forth herein.

3.5 Purchase Right. Without prejudice to the enforcement of the First Priority Secured Parties' remedies, the First Priority Representative, on behalf of the First Priority Secured Parties, agrees that following (i) the acceleration of the First Priority Obligations in accordance with the terms of the First Priority Documents or (ii) the commencement of a Buyout Proceeding (each, a "Purchase Event"), within thirty (30) days of the Purchase Event, one or more of the Second Priority Secured Parties may request, and the First Priority Secured Parties shall offer the Second Priority Secured Parties the option, to purchase all, but not less than all, of the aggregate amount of outstanding First Priority Obligations outstanding at the time of purchase at par, without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to the Assignment and Assumption (as such term is defined in the First Priority Agreement)); provided that the following conditions are satisfied:

(a) each First Priority Secured Party shall receive payment of an amount equal to the outstanding principal amount of its loans and participations in L/C Disbursements and Swingline Loans (as each such term is defined in the First Priority Agreement) (including, in the case of the Swingline Lender (as defined in the First Priority Agreement), the outstanding principal amount of its Swingline Loans), accrued interest thereon, accrued fees and all other amounts payable to it under the First Priority Documents, together with all other First Priority Obligations owed to it, including, without limitation, such First Priority Obligations owed in respect of Specified Cash Management Agreements (as defined in the First Priority Agreement), but excluding, at such First Priority Secured Party's option, First Priority Obligations owed in respect of Specified Swap Agreements (as defined in the First Priority Agreement), which may remain outstanding and secured in accordance with the terms of the First Priority Documents;

(b) the Second Priority Secured Parties shall have appointed a successor agent that shall, effective as of the purchase of the First Priority Obligations, succeed to the rights, powers and duties of the First Priority Representative, in its capacity as administrative agent under the First Priority Documents and in its capacity as "First Priority Representative" hereunder, and the former First Priority Representative's rights, powers and duties as administrative agent under First Priority Documents and as First Priority Representative hereunder shall be terminated (other than such rights that continue to inure to its benefit as expressly provided in the First Priority Documents), and the First Priority Representative shall have no further obligations under the First Priority Documents or hereunder, in each case, without any other or further act or deed on the part of such former First Priority Representative or any other Person; and

(c) the Issuing Lender (as such term is defined in the First Priority Agreement) shall have received an amount of cash collateral equal to 105% of the L/C Obligations (as such term is defined in the First Priority Agreement) of any letters of credit outstanding under the First Priority Agreement at such time, to be held as security for payment of the Borrowers' obligations to reimburse the Issuing Lender for amounts drawn on such letters of credit.

If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event within ten (10) Business Days of the request. If one or more of the Second Priority Secured Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the First Priority Representative and the Second Priority Representative, subject to any consent rights of the Borrowers under the First Priority Agreement or any applicable First Priority Document. Such documentation shall include a release in favor of the First Priority Secured Parties from the Second Priority Secured Parties of any and all claims, demands, damages, actions, cross-actions, causes of action, costs and expenses (including legal expenses), of any kind or nature whatsoever, arising directly or indirectly out of the First Priority Documents, or any other documents, instruments or any other transactions relating thereto, except those based on any representations and warranties expressly set forth in the Assignment and Assumption. If none of the Second Priority Secured Parties timely exercise such right, the First Priority Secured Parties shall have no further obligations pursuant to this Section 3.5 for such Purchase Event and may take any further actions in their sole discretion in accordance with the First Priority Documents and this Agreement.

3.6 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.7, if any First Priority Secured Party or Second Priority Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by any First Priority Secured Party or Second Priority Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Priority Secured Party or Second Priority Secured Party.

3.7 Actions Upon Breach. (a) If any Second Priority Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the First Priority Secured Representative, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should any Second Priority Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any First Priority Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such Second Priority Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each Second Priority Secured Party that (i) the First Priority Secured Parties' damages from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that the Loan Parties and/or the First Priority Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

SECTION 4. *Application Of Proceeds Of Common Collateral; Dispositions And Releases Of Common Collateral; Inspection and Insurance.*

4.1 Application of Proceeds; Turnover Provisions. All proceeds of Common Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of Common Collateral, whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the First Priority Representative for application to the First Priority Obligations in accordance with the terms of the First Priority Documents, until the First Priority Obligations Payment Date has occurred and thereafter, to the Second Priority Representative for application in accordance with the Second Priority Documents. Until the occurrence of the First Priority Obligations Payment Date, any Common Collateral, including without limitation any such Common Collateral constituting proceeds, that may be received by any Second Priority Secured Party in violation

of this Agreement shall be segregated and held in trust and promptly paid over to the First Priority Representative, for the benefit of the First Priority Secured Parties, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Second Priority Lien. (a) Upon any release, sale or disposition of Common Collateral permitted pursuant to the terms of the First Priority Documents that results in the release of the First Priority Lien on any Common Collateral (excluding any sale or other disposition that is expressly prohibited by the Second Priority Agreement as in effect on the date hereof unless such sale or disposition is consummated in connection with an Enforcement Action or consummated after the institution of any Insolvency Proceeding), the Second Priority Lien on such Common Collateral (excluding any portion of the proceeds of such Common Collateral remaining after the First Priority Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person.

(b) The Second Priority Representative shall promptly execute and deliver such release documents and instruments and shall take such further actions as the First Priority Representative shall request to evidence any release of the Second Priority Lien described in paragraph (a). The Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name, from time to time, in the First Priority Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Inspection Rights and Insurance. (a) Any First Priority Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Common Collateral, and the First Priority Representative may advertise and conduct public auctions or private sales of the Common Collateral, in each case without notice to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Until the First Priority Obligations Payment Date has occurred, the First Priority Representative will have the sole and exclusive right (i) to be named as additional insured and loss payee under any insurance policies maintained from time to time by any Loan Party (except that the Second Priority Representative shall have the right to be named as additional insured and loss payee so long as its second lien status is identified in a manner satisfactory to the First Priority Representative); (ii) to adjust or settle any insurance policy or claim covering the Common Collateral in the event of any loss thereunder and (iii) to approve any award granted in any condemnation or similar proceeding affecting the Common Collateral.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that no Second Priority Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case that (a) violates, or is prohibited by, this Section 5 (or, in the absence of an Insolvency Proceeding, otherwise would violate or be prohibited by this Agreement), (b) asserts any

right, benefit or privilege that arises in favor of the Second Priority Representative or Second Priority Secured Parties, in whole or in part, as a result of their interest in the Common Collateral or in the Second Priority Lien (unless the assertion of such right is expressly permitted by this Agreement) or (c) challenges the validity, priority, enforceability or voidability of any Liens or claims held by the First Priority Representative or any other First Priority Secured Party, or the extent to which the First Priority Obligations constitute secured claims under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Second Priority Representative may file a proof of claim in an Insolvency Proceeding, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Second Priority Representative imposed hereby.

5.2 Financing Matters. If any Loan Party becomes subject to any Insolvency Proceeding, and if the First Priority Representative or the other First Priority Secured Parties desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "**DIP Financing**"), then the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that each Second Priority Secured Party (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing, (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in paragraph 5.4 below and (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens (i) to such DIP Financing on the same terms as the First Priority Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the First Priority Secured Parties and (iii) to any "carve-out" agreed to by the First Priority Representative or the other First Priority Secured Parties, and (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice.

5.3 Relief From the Automatic Stay. The Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Common Collateral, without the prior written consent of the First Priority Representative.

5.4 Adequate Protection. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that none of them shall object, contest, or support any other Person objecting to or contesting, (a) any request by the First Priority Representative or the other First Priority Secured Parties for adequate protection or any adequate protection provided to the First Priority Representative or the other First Priority Secured Parties or (b) any objection by the First Priority Representative or any other First Priority Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection or (c) the payment of interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise. Notwithstanding anything contained in this Section and in Section 5.2(b) (but subject to all other provisions of this Agreement, including, without limitation, Sections 5.2(a) and 5.3), in any Insolvency Proceeding, (i) if the First Priority Secured Parties (or any subset thereof) are granted adequate protection consisting of additional collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any DIP Financing or use of cash collateral, and the First Priority Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the Second Priority Representative, on behalf of itself and any of the Second Priority Secured Parties, may seek or accept adequate protection consisting solely of (x) a replacement Lien on the same additional collateral, subordinated to the Liens securing the First Priority Obligations and such DIP Financing on the same basis as the other Liens securing the Second Priority Obligations are so subordinated to the First Priority Obligations under this Agreement, (y) superpriority claims junior in all respects to the superpriority

claims granted to the First Priority Secured Parties and (z) subject to the right of the First Priority Secured Parties to object thereto, the payment of post-petition interest at the pre-default rate (provided, in the case of this clause (z), that the First Priority Secured Parties have been granted adequate protection in the form of post-petition interest at a rate no lower than the pre-default rate), provided, however, that the Second Priority Representative shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the Second Priority Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims and (ii) in the event the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, seeks or accepts adequate protection in accordance with clause (i) above and such adequate protection is granted in the form of additional collateral, then the Second Priority Representative, on behalf of itself or any of the Second Priority Secured Parties, agrees that the First Priority Representative shall also be granted a senior Lien on such additional collateral as security for the First Priority Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Obligations shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the First Priority Secured Parties as adequate protection, with such subordination to be on the same terms that the other Liens securing the Second Priority Obligations are subordinated to such First Priority Obligations under this Agreement. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that except as expressly set forth in this Section none of them shall seek or accept adequate protection.

5.5 Avoidance Issues. If any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.6 Asset Dispositions in an Insolvency Proceeding. In an Insolvency Proceeding, neither the Second Priority Representative nor any other Second Priority Secured Party shall oppose any sale or disposition of any assets of any Loan Party that is supported by the First Priority Secured Parties, and the Second Priority Representative and each other Second Priority Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the First Priority Secured Parties and to have released their Liens on such assets.

5.7 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the First Priority Security Documents and the Second Priority Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the First Priority Obligations and the Second Priority Obligations are fundamentally different from each other and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First Priority Secured Parties and Second Priority Secured Parties in respect of the

Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Priority Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Loan Parties in respect of the Common Collateral, with the effect being that, to the extent that the aggregate value of the Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest before any distribution is made in respect of the claims held by the Second Priority Secured Parties. The Second Priority Secured Parties hereby acknowledge and agree to turn over to the First Priority Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of the preceding sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties.

5.8 No Waivers of Rights of First Priority Secured Parties. Nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party not expressly permitted hereunder, including the seeking by any Second Priority Secured Party of adequate protection (except as provided in Section 5.4).

5.9 Plans of Reorganization. No Second Priority Secured Party shall support or vote in favor of any plan or reorganization (and each shall be deemed to have voted to reject any plan of reorganization) unless such Plan (a) pays off, in cash in full, all First Priority Obligations or (b) is accepted by the class of holders of First Priority Obligations voting thereon and is supported by the First Priority Representative.

5.10 Other Matters. To the extent that the Second Priority Representative or any Second Priority Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with respect to any of the Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties not to assert any of such rights without the prior written consent of the First Priority Representative, provided that if requested by the First Priority Representative, the Second Priority Representative shall timely exercise such rights in the manner requested by the First Priority Representative, including any rights to payments in respect of such rights.

5.11 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under Section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. *Amendments; Security Documents.*

(a) The Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the Second Priority Agreement or the Second Priority Security Documents inconsistent with or in violation of this Agreement or that has the effect of: (a) increasing the principal amount of the Second Priority Obligations to an amount greater than $100,000,000 above the total principal amount of the Second Priority Obligations on the date of this Agreement, (b) increasing the Effective Yield of the Second Priority Obligations to an amount greater than 3.00% per annum above the Effective Yield of the Second Priority Obligations that is in effect on the date of this Agreement, excluding the imposition of a default rate of up to 2.00% per annum, (c) amending the amortization provisions thereof (if any), (d) shortening the cure periods or times for performance contained therein, (e) shortening the maturity date of the Second Priority Obligations or the scheduled payment date for any payment thereunder or time for performance of any material obligation or condition, (f) adding events of default, (g) adding any Loan Party other than the Borrower as a borrower under the Second Priority Obligations unless such Loan Party also becomes a borrower under the First Priority Obligations or (h) causing the covenants or events

of default set forth in the Second Priority Documents (where analogous covenants and events of default exist) to be more restrictive on the Loan Parties unless the analogous covenants or events of default under the First Priority Documents are modified to be more restrictive in a proportionate manner so that the "cushion" between the applicable covenants and events of default in the Second Priority Documents and the First Priority Documents remains the same.

(b) In the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the Second Priority Agreements), (a) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2 and provided there is a corresponding release of the Lien securing the First Priority Obligations, (b) any such amendment, waiver or consent that materially and adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative and (c) notice of such amendment, waiver or consent shall be given to the Second Priority Representative no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 7. *Reliance; Waivers; etc.*

7.1 Reliance. The First Priority Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Second Priority Representative, on behalf of it itself and the Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the First Priority Secured Parties. The Second Priority Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The First Priority Representative expressly waives all notices of the acceptance of and reliance by the Second Priority Representative and the Second Priority Secured Parties.

7.2 No Warranties or Liability. The Second Priority Representative and the First Priority Representative acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, the Second Priority Representative and the First Priority Representative will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the First Priority Documents or the Second Priority Documents.

SECTION 8. *Obligations Unconditional.*

8.1 First Priority Obligations Unconditional. All rights and interests of the First Priority Secured Parties hereunder, and all agreements and obligations of the Second Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any First Priority Document;

(c) prior to the First Priority Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the First Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the First Priority Obligations, or of any of the Second Priority Representative, or any Loan Party, to the extent applicable, in respect of this Agreement.

8.2 Second Priority Obligations Unconditional. All rights and interests of the Second Priority Secured Parties hereunder, and all agreements and obligations of the First Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Second Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Second Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Second Priority Document;

(c) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the Second Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Second Priority Obligations or any First Priority Secured Party in respect of this Agreement.

SECTION 9. Miscellaneous.

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern.

9.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligation Payment Date shall have occurred. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, Borrower or any other Loan Party on the faith hereof.

9.3 Amendments; Waivers. (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the First Priority Representative and the Second Priority Representative, and, in the case of amendments or modifications of Sections 3.5, 3.6, 3.7, 9.5 or 9.6 that directly affect the rights or duties of any Loan Party, such Loan Party.

(b) It is understood that the First Priority Representative and the Second Priority Representative, without the consent of any other First Priority Secured Party or Second Priority Secured Party, may in their discretion determine that a supplemental agreement (which make take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("**Additional Debt**") of any of the Loan Parties become First Priority Obligations or Second Priority Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes First Priority Obligations or Second Priority Obligations, provided, that such Additional Debt is permitted to be incurred by the First Priority Agreement and Second Priority Agreement then extant, and is permitted by said Agreements to be subject to the provisions of this Agreement as First Priority Obligations or Second Priority Obligations, as applicable.

9.4 Information Concerning Financial Condition of the Borrower and the other Loan Parties. Each of the Second Priority Representative and the First Priority Representative hereby assume responsibility for keeping itself informed of the financial condition of the Borrower and each of the other Loan Parties and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. The Second Priority Representative and the First Priority Representative hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Second Priority Representative or the First Priority Representative, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

9.5 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

9.6 Submission to Jurisdiction. (a) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the any First Priority Secured Party or Second Priority Secured Party may otherwise have to bring any action or proceeding against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.7. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.7 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or five days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and Second Priority Secured Parties and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral.

9.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

9.12 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

[SIGNATURE PAGES FOLLOW]

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

JPMORGAN CHASE BANK, N.A., as First Priority Representative for and on behalf of the First Priority Secured Parties

By: /s/ John Kushnerick
Name: John Kushnerick
Title: Vice President

Address for Notices:

JPMorgan Chase Bank, N.A.
10 South Dearborn, Floor 7
IL-0010
Chicago, Illinois 60603
Attention: Muoy Lim
Telephone: (312) 732-2024
Telecopy: (888) 303-9732

with a copy to:

JPMorgan Chase Bank, N.A.
712 Main Street, Floor 8 North
Houston, Texas 77002
Attention: John Kushnerick
Telephone: (713) 216-6031
Telecopy: (713) 216-6710

Andrews Kurth LLP
600 Travis Street, Suite 4200
Houston, Texas 77002
Attention: Martha Smith DeBusk
Telephone: (713) 220-4372
Telecopy: (713) 238-7202

[Signature Page to Intercreditor Agreement]

CORTLAND CAPITAL MARKET SERVICES LLC, as
Second Priority Representative for and on behalf of the
Second Priority Secured Parties

By: /s/ Emily Ergang Papas
Name: Emily Ergang Papas
Title: Associate Counsel

Address for Notices:

Cortland Capital Market Services LLC
225 West Washington Street, Suite 2100
Chicago, Illinois 60606
Attention: Aslam Azeem and Legal Department
Telecopy No.: (312) 371-0751

AMEDISYS, INC.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President and Interim Chief Executive Officer

AMEDISYS HOLDING, L.L.C.

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President

Address for Notices:

Amedisys, Inc.
Amedisys Holding, L.L.C.
5959 South Sherwood Forest Blvd.
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer
Telephone: (225) 292-2031
Telecopy: (225) 292-8163

with a copy to:

Kantrow Spaht Weaver & Blitzer (APLC)
P. O. Box 2997
Baton Rouge, Louisiana 70821-2997
Attention: Diane L. Crochet
Telephone: (225) 383-4703
Telecopy: (225) 343-0630

ADVENTA HOSPICE SERVICES OF FLORIDA, INC.,
AMEDISYS HOME HEALTH, INC. OF ALABAMA,
AMEDISYS HOME HEALTH, INC. OF SOUTH CAROLINA,
AMEDISYS HOME HEALTH, INC. OF VIRGINIA,
HMR ACQUISITION, INC.,
ACCUMED GENPAR, L.L.C.,
ACCUMED HOLDING, L.L.C.,
ACCUMED HOME HEALTH OF GEORGIA, L.L.C.,
ACCUMED HOME HEALTH OF NORTH TEXAS, L.L.C.;
ADVENTA HOSPICE, L.L.C.,
ALBERT GALLATIN HOME CARE AND HOSPICE SERVICES, LLC,
AMEDISYS AIR, L.L.C.,
AMEDISYS ALABAMA, L.L.C.,
AMEDISYS ALASKA, LLC,
AMEDISYS ARIZONA, L.L.C.,
AMEDISYS ARKANSAS, LLC,
AMEDISYS BA, LLC,
AMEDISYS CALIFORNIA, L.L.C.,
AMEDISYS COLORADO, L.L.C.,
AMEDISYS CONNECTICUT, L.L.C.,
AMEDISYS DELAWARE, L.L.C.,
AMEDISYS FLORIDA, L.L.C.,
AMEDISYS GEORGIA, L.L.C.,
AMEDISYS HOSPICE, L.L.C.,
AMEDISYS IDAHO, L.L.C.,
AMEDISYS ILLINOIS, L.L.C.,
AMEDISYS INDIANA, L.L.C.,
AMEDISYS IOWA, L.L.C.,
AMEDISYS KANSAS, L.L.C.,
AMEDISYS LA ACQUISITIONS, L.L.C.,
AMEDISYS LOUISIANA, L.L.C.,
AMEDISYS MAINE, P.L.L.C.,
AMEDISYS MARYLAND, L.L.C.,
AMEDISYS MASSACHUSETTS, L.L.C.,
AMEDISYS MICHIGAN, L.L.C.,
AMEDISYS MINNESOTA, L.L.C.,
AMEDISYS MISSISSIPPI, L.L.C.,
AMEDISYS MISSOURI, L.L.C.,
AMEDISYS NEBRASKA, L.L.C.,
AMEDISYS NEVADA, L.L.C.,
AMEDISYS NEW HAMPSHIRE, L.L.C.,
AMEDISYS NEW JERSEY, L.L.C.,
AMEDISYS NEW MEXICO, L.L.C.,
AMEDISYS NORTH CAROLINA, L.L.C.,
AMEDISYS NORTH DAKOTA, L.L.C.,
AMEDISYS NORTHWEST, L.L.C.,
AMEDISYS OHIO, L.L.C.,
AMEDISYS OKLAHOMA, L.L.C.,
AMEDISYS OREGON, L.L.C.,

AMEDISYS PENNSYLVANIA, L.L.C.,
AMEDISYS PROPERTY, L.L.C.,
AMEDISYS PUERTO RICO, L.L.C.,
AMEDISYS QUALITY OKLAHOMA, L.L.C.,
AMEDISYS RHODE ISLAND, L.L.C.,
AMEDISYS SC, L.L.C.,
AMEDISYS SOUTH DAKOTA, L.L.C.,
AMEDISYS SOUTH FLORIDA, L.L.C.,
AMEDISYS SPECIALIZED MEDICAL SERVICES, L.L.C.,
AMEDISYS SP-IN, L.L.C.,
AMEDISYS SP-KY, L.L.C.,
AMEDISYS SP-OH, L.L.C.,
AMEDISYS SP-TN, L.L.C.,
AMEDISYS TENNESSEE, L.L.C.,
AMEDISYS TEXAS, L.L.C.,
AMEDISYS TLC, ACQUISITION, L.L.C.,
AMEDISYS UTAH, L.L.C.,
AMEDISYS VENTURES, L.L.C.,
AMEDISYS VIRGINIA, L.L.C.,
AMEDISYS WASHINGTON, L.L.C.,
AMEDISYS WESTERN, L.L.C.,
AMEDISYS WEST VIRGINIA, L.L.C.,
AMEDISYS WISCONSIN, L.L.C.,
ANMC VENTURES, L.L.C.,
AVENIR VENTURES, L.L.C.,
BEACON HOSPICE, L.L.C.,
BROOKSIDE HOME HEALTH, LLC,
COMPREHENSIVE HOME HEALTHCARE SERVICES, L.L.C.,
EMERALD CARE, L.L.C.,
FAMILY HOME HEALTH CARE, L.L.C.,
HHC, L.L.C.,
HOME HEALTH OF ALEXANDRIA, L.L.C.,
HORIZONS HOSPICE CARE, L.L.C.,
HOUSECALL, L.L.C.,
HOUSECALL HOME HEALTH, L.L.C.,
HOUSECALL MEDICAL RESOURCES, L.L.C.,
HOUSECALL MEDICAL SERVICES, L.L.C.,
HOUSECALL SUPPORTIVE SERVICES, L.L.C.,
MC VENTURES, LLC,
M.M. ACCUMED VENTURES, L.L.C.,
TENDER LOVING CARE HEALTH CARE SERVICES INTERNATIONAL, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES MIDWEST, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF BROWARD, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF DADE, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF ERIE NIAGARA, LLC,

TENDER LOVING CARE HEALTH CARE SERVICES OF GEORGIA, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF LONG ISLAND, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF MICHIGAN, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF NASSAU SUFFOLK, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF NEW ENGLAND, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES OF WEST VIRGINIA, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES SOUTHEAST, LLC,
TENDER LOVING CARE HEALTH CARE SERVICES WESTERN, LLC,
TLC HOLDINGS I, L.L.C.,
TLC HEALTH CARE SERVICES, L.L.C.,
ACCUMED HEALTH SERVICES, L.L.C.,
NINE PALMS 1, L.L.C.,
NINE PALMS 2, LLP,
By: MC VENTURES, LLC, its general partner

By: /s/ Ronald A. LaBorde
Name: Ronald A. LaBorde
Title: President

Address for Notices:

Amedisys, Inc.
Amedisys Holding, L.L.C.
5959 South Sherwood Forest Blvd.
Baton Rouge, Louisiana 70816
Attention: Chief Financial Officer
Telephone: (225) 292-2031
Telecopy: (225) 292-8163

with a copy to:

Kantrow Spaht Weaver & Blitzer (APLC)
P. O. Box 2997
Baton Rouge, Louisiana 70821-2997
Attention: Diane L. Crochet
Telephone: (225) 383-4703
Telecopy: (225) 343-0630

[Signature Page to Intercreditor Agreement]

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Section 10: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATION

I, Ronald A. LaBorde, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15

(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2014

/s/ Ronald A. LaBorde

Ronald A. LaBorde

Principal Executive Officer

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Section 11: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATION

I, Dale E. Redman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, of Amedisys, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an Annual Report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2014

/s/ Dale E. Redman

Dale E. Redman

Principal Financial Officer

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Section 12: EX-32.1 (EX-32.1)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amedisys, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2014 (the "Report"), I, Ronald A. LaBorde, Principal Executive Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 30, 2014

/s/ Ronald A. LaBorde

Ronald A. LaBorde

Principal Executive Officer

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Section 13: EX-32.2 (EX-32.2)

Exhibit 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Amedisys, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2014 (the "Report"), I, Dale E. Redman, Principal Financial Officer of the Company, hereby certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: July 30, 2014

/s/ Dale E. Redman

Dale E. Redman

Principal Financial Officer

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