

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(c)

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Hospital, Debtor-in-Possession

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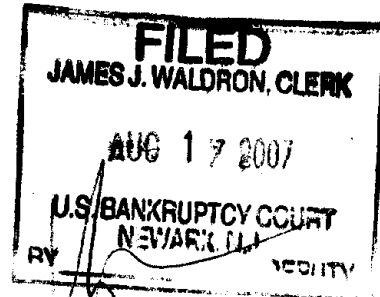
In the Matter of:

NATHAN AND MIRIAM BARNERT

MEMORIAL HOSPITAL ASSOCIATION d/b/a

BARNERT HOSPITAL

Debtor-in-Possession.



Case No.: 07- 21631

Judge: MORRIS STERN

Hearing Date AUGUST 17, 2007

**ORDER AUTHORIZING THE DEBTOR TO SATISFY, AND DIRECTING
PAYROLL BANKS TO HONOR, PREPETITION GROSS SALARIES
AND RELATED OBLIGATIONS TO THE DEBTOR'S EMPLOYEES
AND TO PAY PREPETITION PAYROLL AND WITHHOLDING TAXES
ASSOCIATED WITH THE PREPETITION PAYROLL**

The relief set forth on the following pages, number two(2) through four(4), is hereby

ORDERED.

Dated: August 17, 2007


MORRIS STERN
UNITED STATES BANKRUPTCY JUDGE

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Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL

Case No. 07- 21631

Caption of Order: ORDER AUTHORIZING THE DEBTOR TO SATISFY, AND
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GROSS SALARIES AND RELATED OBLIGATIONS TO THE
DEBTOR'S EMPLOYEES AND TO PAY PREPETITION
PAYROLL AND WITHHOLDING TAXES ASSOCIATED WITH
THE PREPETITION PAYROLL

THIS MATTER having been opened to the Court upon the Motion of Nathan and Miriam Barnert Memorial Hospital Association d/b/a Barnert Hospital, as debtor and debtor-in-possession herein (the "Debtor"), by and through its proposed counsel, McCarter & English, LLP, for an Order authorizing the Debtor to satisfy, and directing any and all financial institutions to honor, payroll for prepetition gross salaries, commissions and related obligations to the Debtor's employees and to pay prepetition payroll and withholding taxes associated with the prepetition payroll (the "Motion"); and good and sufficient notice of the hearing on the Motion having been given in accordance with the Order regarding Application for Expedited Consideration of First Day matters previously entered by the Court, as evidenced by the Affidavit of Service filed with the court; and the Court having held a hearing on the date hereof, and having considered the moving papers, opposition thereto, if any, and the arguments of counsel; and good cause appearing for the entry of this Order;

IT IS ORDERED as follows:

1. The Debtor is hereby authorized and empowered, but not directed, in its sole and absolute discretion, on a case by case basis, to satisfy in the ordinary course of business the

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Debtor's prepetition gross salaries, commissions and related obligations to their Employees¹ (including the reimbursement of ordinary course expenses), the payment of ordinary course employee benefits, related payroll and withholding taxes, and alimony, child support and garnishment obligations (the "Payroll Obligations").

2. The Debtor is hereby authorized and empowered, but not directed, in its sole and absolute discretion, on a case by case basis, to honor its Employees earned prepetition vacation, sick and personal days (the "Accrued Days") by allowing the Employees to use, in the Debtor's sole discretion, all or portions of their Accrued Days postpetition in the ordinary course. Notwithstanding the foregoing, nothing herein shall be construed to create or impose any administrative expense liability on the Debtor with regard to the Accrued Days or to obligate the Debtor to compensate its employees for Accrued Days in cash.

3. The relief granted herein shall not be deemed an assumption or an authorization to assume any of the employee compensation, benefits or reimbursement policies, plans, or programs of the Debtor pursuant to section 365 of the Bankruptcy Code.

¹ Capitalized terms herein have the same meaning as ascribed to them in the Motion unless otherwise defined herein.

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4. Any and all financial institutions honoring the aforementioned obligations to the Debtor's employees and sales representatives are authorized and directed to receive, process, honor and pay all checks, drafts and automatic clearing house and wire transfers drawn on the Debtor's bank accounts to the extent authorized herein and directed by the Debtor, whether presented, drawn or issued before or after the commencement of the Debtor's bankruptcy case for payment by the holder thereof, provided that sufficient funds, whether deposited prior to or subsequent to the Petition Date, are available to fund the relevant bank accounts to cover and permit payment thereof.

5. The Debtor is hereby authorized (consistent with this Order) to issue postpetition checks (or electronic fund transfers) in payment of prepetition Payroll Obligations covered by a check that is dishonored or rejected as a consequence of the commencement of this bankruptcy case.

6. The amount of payments to any one Employee on account of Payroll Obligations shall not exceed \$10,950.

7. The Debtor's proposed counsel shall serve a copy of this Order on all parties-in-interest by regular mail with seven (7) days hereof.