



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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

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Memorial Hospital Association d/b/a Barnert

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: Steckroth

Hearing Date:

September 10, 2007

**ADMINISTRATIVE FEE ORDER ESTABLISHING
PROCEDURES FOR ALLOWANCE AND PAYMENT OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES TO PROFESSIONALS**

The relief set forth on the following pages, number two(2) through seven (7), is hereby

ORDERED.

DATED: 9/21/2007



Honorable Donald H. Steckroth
United States Bankruptcy Judge

(Page 2)

Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL
Case No. 07-21631 (DHS)
Caption of Order: ADMINISTRATIVE FEE ORDER ESTABLISHING PROCEDURES
FOR ALLOWANCE AND PAYMENT OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES TO
PROFESSIONALS

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 a administrative fee Order establishing procedures for allowance and payment of interim compensation and reimbursement of expenses to professionals retained by Order of this court (the “Motion”); and good and sufficient notice of the hearing on the Motion having been given 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 the Court having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate and creditors; and good cause appearing for the entry of this Order;

IT IS ORDERED as follows:

Except as may otherwise be provided in an Order of this Court authorizing the retention of specific professionals, all professionals retained in this case pursuant to section 327, and to the extent applicable, sections 328(a) and 1103 of the Bankruptcy Code (the “Professionals”), may seek interim compensation, subject to the funds available and so authorized by the Debtor’s Cash Collateral Order(s), in accordance with the following procedure:

(Page 3)

Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL
Case No. 07-21631 (DHS)
Caption of Order: ADMINISTRATIVE FEE ORDER ESTABLISHING PROCEDURES
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PROFESSIONALS

1. On or before the twenty-fifth (25th) day of each month following the month for which compensation is sought, each Professional seeking compensation shall file with the Court and serve a monthly fee and expense statement (the “Monthly Statement”) by e-mail or regular mail on: (i) counsel for the Debtor, McCarter & English, LLP, Four Gateway Center, 100 Mulberry Street, Newark, New Jersey 07102 (Attention: David J. Adler, Esq.); (ii) the United States Trustee for the District of New Jersey (“UST”), one Newark Center, Suite 2100, Newark, New Jersey 07102; (iii) counsel to the Debtor’s secured lenders; (iv) counsel for the Official Committee of Unsecured Creditors (the “Committee”); and (v) all parties filing an entry of appearance and request for notices pursuant to Fed. R. Bankr. P. 2002 (collectively, the “Notice Parties”).

(a) Each Monthly Statement shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Federal Rules”) and the Local Rules for the United States Bankruptcy Court for the District of New Jersey (the “Local Rules”) with the exception that the provisions of Local Rules 2016-1(a)(8) and (a)(9) are not required.

(b) All timekeepers must maintain contemporaneous time entries for each individual listed in the Monthly Statement in increments of tenths of a hour.

2. Each person receiving a Monthly Statement shall have twenty (20) days after service (except for the month of August 2007 in which case the period shall be fifteen (15) days) thereof to review it (the “Objection Deadline”). Upon expiration of the Objection

(Page 4)

Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL
Case No. 07-21631 (DHS)
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FOR ALLOWANCE AND PAYMENT OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES TO
PROFESSIONALS

Deadline, each Professional may file and serve on the Notice Parties a certificate of no objection or a certificate of partial objection, whichever is applicable, after which the Debtor is authorized to pay, subject to available funds and to the extent so authorized by its Cash Collateral Order, each Professional an amount (the “Actual Interim Payment”) equal to the lesser of (i) eighty percent (80%) of the fees and one hundred percent (100%) of the expenses requested in the Monthly Statement or (ii) eighty percent (80%) of the fees and one hundred percent (100%) of the expenses not subject to any objection.

3. Any objection to a Monthly Statement (the “Objection”) shall be in writing and filed with the Court and simultaneously served on the Notice Parties on or before the Objection Deadline. The Objection shall set forth the nature of the objection and the amount of fees and/or expenses at issue. If the Debtor receives an Objection to a particular Monthly Statement, the Debtor shall withhold payment of that portion of the Monthly Statement to which the Objection is directed and promptly pay the remainder of the fees and expenses in the percentages set forth in Paragraph 2 above.

4. If the parties to an Objection can resolve their respective dispute(s) following the service of the Objection and the party whose Monthly Statement was objected to serves on all the

(Page 5)

Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL
Case No. 07-21631 (DHS)
Caption of Order: ADMINISTRATIVE FEE ORDER ESTABLISHING PROCEDURES
FOR ALLOWANCE AND PAYMENT OF INTERIM
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PROFESSIONALS

Notice Parties a statement indicating that the Objection is withdrawn and describing in detail the terms of the resolution, then the Debtor, subject to available funds and to the extent so authorized by its Cash Collateral Order, shall promptly pay in accordance with Paragraph 2 above that portion of the Monthly Statement which is no longer subject to an Objection.

5. If the parties are unable to resolve the Objection within twenty (20) days after service thereof, then the affected Professional may either (i) file a response to the Objection together with a request for payment of the difference, if any, between the Actual Interim Payment and the non-objected to portion of the Actual Interim Payment made to the affected professional (the “Incremental Amount”); or (ii) forgo payment of the Incremental Amount until the next interim or final fee application, at which time the Court will consider and dispose of the Objection, if so requested.

6. The service of an Objection to a Monthly Statement shall not prejudice the objecting party’s right to object to any fee applications made to the Court in accordance with the Bankruptcy Code on any ground whether raised in the objection or not.

7. The decision by any party not to object to a Monthly Statement shall not be deemed or construed as a waiver of any kind or prejudice that party’s right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code and applicable rules.

(Page 6)

Debtor:

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

Case No.

07-21631 (DHS)

Caption of Order:

ADMINISTRATIVE FEE ORDER ESTABLISHING PROCEDURES
FOR ALLOWANCE AND PAYMENT OF INTERIM
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PROFESSIONALS

8. Parties may file at three (3) month intervals (the “Interim Period”) an interim fee application. Each Professional seeking approval of its interim fee application shall file with the Court and serve upon the Notice Parties an interim application for allowance of compensation and reimbursement of expenses, pursuant to 11 U.S.C. §331, of the amounts sought in the Monthly Statements issued during such period (the “Interim Fee Application”). An Interim Fee Application must be filed and served within forty-five (45) days of the conclusion of the Interim Period, with the first Interim Period to cover the period from the Petition Date until the end of the sixth month following the commencement of the case. The Debtor shall request that the Court schedule a hearing on the Interim Fee Applications.

(a) The Interim Fee Application must include a summary of the Monthly Statements that are the subject of the request and any other information requested by the Court and shall comply with the Bankruptcy Code, the Federal Rules, the Local Rules and applicable law.

(b) Any Professional who fails to file an Interim Fee Application when due will be ineligible to receive further interim payments of fees or expenses under this Order until such time as the Interim Fee Application is submitted.

(Page 7)

Debtor: NATHAN AND MIRIAM BARNERT MEMORIAL HOSPITAL
ASSOCIATION d/b/a BARNERT HOSPITAL
Case No. 07-21631 (DHS)
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COMPENSATION AND REIMBURSEMENT OF EXPENSES TO
PROFESSIONALS

(c) The pendency of an Objection as to a particular Monthly Statement or Interim Fee Application shall not disqualify a Professional from the further payment of compensation or reimbursement of expenses, unless the Court orders otherwise.

(d) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement of expenses as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses to any Professionals.

9. Any party may object to request for payments made pursuant to these procedures on the grounds that the Debtor has not timely filed monthly operating reports or remained current with its administrative expense obligations and quarterly fees due to the UST, or that a manifest exigency exists.

10. The Debtor shall include all payments to Professionals on its monthly operating reports, detailed so as to state the amount paid to Professionals.

11. All time periods set forth in these procedures shall be determined in accordance with Fed. R. Bankr. P. 9006(a).

12. A true copy of this Order shall be served on the Notice Parties within seven (7) days hereof.