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Hearing Date: **February 18, 2014**
Hearing Time: **11:00 a.m.**

Objection Deadline: **February 11, 2014 at 5:00 p.m.**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
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In re	Chapter 11
ST. FRANCIS' HOSPITAL, POUGHKEEPSIE, NEW YORK, *et al.*,	Case No. 13-37725 (CGM)
	(Jointly Administered)
Debtors.	

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IRON MOUNTAIN INFORMATION MANAGEMENT, LLC'S RESERVATION OF RIGHTS AND LIMITED OBJECTION TO DEBTORS' EX PARTE MOTION FOR AN ORDER: (A) AUTHORIZING AND APPROVING BID PROCEDURES IN CONNECTION WITH PROPOSED SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS; (C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS; (D) SCHEDULING A SALE HEARING; AND (E) GRANTING OTHER RELATED RELIEF

TO THE HONORABLE CECELIA G. MORRIS
UNITED STATES CHIEF BANKRUPTCY JUDGE:

Iron Mountain Information Management, LLC ("Iron Mountain"), by its undersigned counsel, respectfully submits this reservation of rights and limited objection (the "Limited Objection") to the *Debtors' Ex Parte Motion for an Order: (A) Authorizing and Approving Bid Procedures in Connection with Proposed Sale of Substantially All of the Debtors' Assets; (B) Authorizing the Sale of Substantially all of the Debtors' Assets Free and Clear of all Liens, Claims, Encumbrances, and Other Interests; (C) Authorizing the Assumption and Assignment of Executory Contracts; (D) Scheduling a Sale Hearing; and (E) Granting Other Related Relief*

[Docket # 18] (the "Sale Motion").[1]

In support of this Limited Objection and Reservation of Rights, Iron Mountain states as follows:

1. Pursuant to the Sale Motion, the Debtors seek to, among other things, assume and assign certain executory contracts in connection with the sale of substantially all of the Debtors' assets to the Successful Bidder. Iron Mountain submits this Limited Objection as it lacks sufficient information to determine if the Debtors intend on assuming and assigning the two executory contracts to which Iron Mountain is a party and what cure amount the Debtors believe is owed to Iron Mountain. The Debtors have been unable to confirm to Iron Mountain that its contracts are in fact on the list of executory contracts the Debtors seek Court authority to assume and assign. Nor have the Debtors been able to confirm what cure amount they believe is owed to Iron Mountain. Thus, Iron Mountain submits this limited objection to reserve its rights with respect to any assumption and assignment of either or both of its two contracts with the Debtor.

2. Prior to the Petition Date, Iron Mountain and the Debtors entered into two contracts for records management services, which were subsequently assigned Account Numbers 02223.0N009L (St. Francis Hosp. Radiology) and 02223.0N010L (St. Francis Hospital) (collectively, the "Contracts").

3. Iron Mountain is listed on Schedule G of the Debtors' Bankruptcy Schedules as a party to an executory contract described as "*Facility Service Agreement, Scope of Service: Records Retention (ID: N/A)*." See Docket # 221, page 541.

4. Iron Mountain is also listed on Schedule F of the Debtors' Bankruptcy Schedules as holding an unsecured nonpriority claim in the amount of $48,848.71. See Docket # 221, page

[1] Capitalized terms used herein but not defined shall have the meaning ascribed to such terms in the Notice.

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5. The Contracts are not identified with any specificity and the Debtors have thus far been unable to confirm that Iron Mountain's Contracts are being assumed and assigned to the Successful Bidder.

6. According to Iron Mountain's books and records, the current pre- and post-petition amounts outstanding under the Contracts are as follows:

Customer	**Account #**	**Pre-Petition Outstanding**	**Post-Petition Outstanding**
St. Francis Hosp. – Radiology	02223.0N009L	$18,052.50	$3,351.84
St. Francis Hospital	02223.0N010L	$30,560.90	$5,085.26
	TOTALS	**$48,613.40**	**$8,437.10**

7. Iron Mountain submits that the total cure amounts for the Contracts that could potentially be assumed and assigned is **$57,050.50** (*i.e.*, $21,404.34 for Account 02223.0N009L; and $35,646.16 for Account 02223.0N010L). Again, as the Debtors have been unable to confirm what cure amount it proposes is due for either of the Contracts and as the Debtors have been unable to confirm that they are in fact seeking to assume and assign either of the Contracts, Iron Mountain submits that $57,050.50 would be the proper cure amount as of February 10, 2014.

8. To the extent that the Debtors intend on relying on the amounts listed in Schedule F [Docket # 221] (*i.e.*, only pre-petition amounts due), section 365(b) of the Bankruptcy Code requires that the Debtors cure all monetary defaults before an executory contract can be assumed and assigned. *See* 11 U.S.C. § 365(b)(1)(A). Therefore, as Iron Mountain is providing post-petition services to the Debtors, any cure amount for the Contracts must include all outstanding post-petition charges as well.

9. Accordingly, Iron Mountain submits this Limited Objection to preserve its right to require that the proposed assumption and assignment of any of the Accounts complies with

Section 365 of the Bankruptcy Code, or is otherwise acceptable to Iron Mountain.

10. Iron Mountain reserves the right to amend and supplement this Limited Objection if and when more information becomes available, and to include additional contracts, accounts and/or amounts that may become due.

11. Iron Mountain further reserves its rights to assert a secured claim against the Debtors' bankruptcy estate pursuant to U.C.C. 7-209 and its Contracts with the Debtors on account of its warehouseman's lien.

WHEREFORE, Iron Mountain Information Management, LLC respectfully

A. Objects to any proposed assumption and assignment of the Contracts in connection with the Sale Motion to the extent that such assumption and assignment does not satisfy the requirements of Section 365 of the Bankruptcy Code;

B. Expressly reserves its rights under Section 365 of the Bankruptcy Code and any other pertinent provisions of the Bankruptcy Code and the Bankruptcy Rules with respect to the assumption and assignment of the Contracts and the cure amounts associated therewith and adequate assurances of future performance by the assignee/Successful Bidder;

C. Expressly reserves its warehouseman's liens and other rights under the Uniform Commercial Code; and

D. Requests that this Court grant such other relief as is just and proper.

Dated: Boston, Massachusetts
February 11, 2014

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By: /s/ Hale Yazicioglu

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