

SUNLINK HEALTH SYSTEMS INC

Form 8-K

March 04, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the**

**Securities and Exchange Act of 1934**

**Date of Report (Date of earliest event reported) March 1, 2011**

**SUNLINK HEALTH SYSTEMS, INC.**

**(Exact Name Of Registrant As Specified In Charter)**

**Ohio**  
**(State or other Jurisdiction**

**of Incorporation)**

**1-12607**  
**(Commission File Number)**

**31-0621189**  
**(IRS Employer**

**Identification No.)**

**900 Circle 75 Parkway, Suite 1120, Atlanta, Georgia**  
**(Address of principal executive offices)**

**Registrant's telephone number, including area code (770) 933-7000**

**30339**  
**(Zip Code)**

## Edgar Filing: SUNLINK HEALTH SYSTEMS INC - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A-2). below:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a.-12)
  
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e- 4(c))  
**(Former Name Or Former Address, If Changed Since Last Report)**

**Item 1.01 Entry into a Material Definitive Agreement**

On March 1, 2011, SunLink Health Systems, Inc. ( SunLink or the Company ) entered into an agreement to lease its owned Chilton Medical Center ( Chilton ) and to sell its 83% membership interest in Clanton Hospital LLC ( Clanton ) subsidiary, which manages Chilton, to Carraway Medical Systems, Inc. ( Carraway ). The lease agreement is for a six-year term with monthly rent of \$37,000 and includes an option under which Carraway can purchase Chilton from SunLink. The option purchase price is \$3,700,000, less the amount paid to purchase the 17% membership interest of Clanton that Carraway does not currently own, up to a maximum of \$615,000. The purchase price of SunLink s 83% membership interest of Clanton was a \$1,000,000 six-year zero-coupon note plus a six-year 6% note for the net working capital of Clanton at purchase. The amount of the net working capital will be finalized by March 15, 2011. If the purchase option for Chilton is exercised during the six-year term of the lease, any amount paid under the \$1,000,000 note will be credited to the option purchase price and any remaining balance on the note will be cancelled.

**Item 9.01 Financial Statements and Exhibits.**

d. Exhibits. The following exhibits are filed with this report:  
Exhibit 99.1 SunLink Health Systems, Inc. Press Release dated March 3, 2011.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

SUNLINK HEALTH SYSTEMS, INC.

By: /s/ Mark J. Stockslager  
Name: Mark J. Stockslager  
Title: Chief Financial Officer

Dated: March 4, 2011

**EXHIBIT INDEX**

<b>EXHIBIT NO.</b>	<b>DESCRIPTION</b>
99.1	SunLink Health Systems, Inc. Press Release dated March 3, 2011