

# FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

**Garden City Hospital, Inc.**  
**and**  
**Prime Healthcare Services-Garden City, LLC**

**THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT** ("First Amendment"), is entered into by and between **Garden City Hospital, Inc.** ("Seller") and **Prime Healthcare Services-Garden City, LLC** ("Purchaser"), effective the 1<sup>st</sup> day of April, 2014.

## RECITALS:

**WHEREAS**, Purchaser and Seller entered into a certain Asset Purchase Agreement ("Agreement") on the 30<sup>th</sup> day of January, 2014; and

**WHEREAS**, Purchaser and Seller desire to amend the Agreement to restate and clarify certain post-closing covenants of Purchaser.

**NOW, THEREFORE**, in consideration of the premises, covenants, representations and warranties set forth herein, the receipt and adequacy of which are hereby acknowledged, the parties agree to amend the Agreement as follows:

(1) **Maintenance of Acute Care Hospital and Use of Name.** Section 12.12 is hereby amended and restated as follows:

12.12 **Maintenance of Acute Care Hospital and Use of Name.** Purchaser shall maintain the Hospital as an acute care hospital, substantially consistent with the Hospital's service offerings as of the Closing Date, and with an open accessible emergency department, for no less than five (5) years after the Closing Date. Purchaser shall continue to use the name "Garden City Hospital" for the Hospital.

(2) **Charity Care Policy.** A new Section 12.14 is hereby added to the Agreement as follows:

12.14 **Charity Care Policy.** Purchaser shall adopt a Charity Care Policy effective as of the Closing Date that is no less favorable than Seller's Charity Care Policy.

(3) **Covenant Not to Sell Hospital.** A new Section 12.15 is hereby added to the Agreement as follows:

12.15 **Covenant Not to Sell Hospital.** For a period of five (5) years following the Closing Date, Purchaser shall not sell the assets of the Hospital to a third party, and Purchaser shall remain a direct or indirect subsidiary of Prime Healthcare Services, Inc.; provided, however, this restriction shall not prohibit Purchaser from transferring the Hospital, its business or assets to: (i) any other Affiliate of Prime Healthcare Services, Inc.; (ii) Prime Healthcare Foundation, Inc., a 501(c)(3) public charity; or, (iii) any

acquirer or successor, by merger, asset purchase, stock purchase, lease or otherwise, of all or substantially all of the ownership interest in or assets of Prime Healthcare Services, Inc.

**IN WITNESS WHEREOF**, the parties have caused this First Amendment to be executed by their authorized officers, effective as of the date set forth above. This First Amendment may be executed in counterparts, each of which will be deemed an original, and together one instrument.

**PRIME HEALTHCARE SERVICES-  
GARDEN CITY, LLC**  
"Purchaser"

**GARDEN CITY HOSPITAL, INC.**  
"Seller"

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Gary R. Ley  
President/Chief Executive Officer

Title: \_\_\_\_\_