

## AMENDMENT NO. 1 TO ASSET PURCHASE AGREEMENT

This Amendment No. 1 to Asset Purchase Agreement (the “Amendment”) is made and entered into as of September 6, 2011 by and among **MORTON HOSPITAL AND MEDICAL CENTER, INC.**, a Massachusetts not-for-profit corporation, **MORTON PROPERTY, INC.**, a Massachusetts corporation, and **MORTON PHYSICIAN ASSOCIATES, INC.**, a Massachusetts not-for-profit corporation, (collectively, the “Sellers”) and **MORTON HOSPITAL, A STEWARD FAMILY HOSPITAL, INC., a Delaware corporation f/ka/ STEWARD MEDICAL HOLDINGS SUBSIDIARY THREE, INC.** (“Buyer”).

### RECITALS

A. Sellers and Buyer have entered into that certain Asset Purchase Agreement dated as of March 29, 2011 (the “Agreement”) pursuant to which Buyer has agreed to acquire from Sellers the Purchased Assets, and to assume from Sellers the Assumed Liabilities.

B. Sellers and Buyer desire to amend the Agreement to address certain matters that have arisen since the date the Agreement was executed.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and covenants contained in this Amendment, and for their mutual reliance, the parties hereto agree as follows:

1. Defined Terms. Except to the extent it is specifically indicated to the contrary in this Amendment, defined terms used in this Amendment shall have the same meanings as in the Agreement.

2. Definitions. The definition of “Change in Control Transaction” contained in Section 1.1 of the Agreement is hereby deleted in its entirety and replaced with the following:

“**Change in Control Transaction**” means (i) a sale, transfer, lease, or other assignment of all or substantially all of the assets of the Post-Closing System to any Person which is not an Affiliate of Steward Health Care System LLC or Steward Medical Holdings LLC (a “Third Party”), (ii) a sale of any interests representing more than 50% of the voting interest in Buyer to a Third Party or, if an Affiliate of Buyer is operating the Post-Closing System, a sale of any interests representing more than 50% of the voting interest in such Affiliate to any Third Party, or (iii) a reorganization, merger, consolidation, issuance of shares, or any other transaction involving Buyer as a result of which Steward Health Care System LLC or any of its Affiliates does not hold more than 50% of the voting securities of the resulting or surviving entity. Notwithstanding the foregoing, a Change in Control Transaction shall exclude any of the foregoing described transactions in which Buyer becomes a party, whether directly or indirectly, as part of the sale, transfer, lease, assignment of all or substantially all assets, sale of interests representing more than 50% of

the voting interest, or reorganization, merger, consolidation or issuance of shares, as a result of which more than 50% of the voting securities of the resulting or surviving entity are held by a Third Party, in each case involving Steward Health Care System LLC and its affiliates or Steward Medical Holdings LLC and its affiliates.”

3. Employees. The phrase “including employees on short term disability, maternity leave, vacation, or leave of absence with a definite date of return,” is hereby inserted in Section 10.1(a) of the Agreement immediately following the phrase “in good standing.”

4. Post-Closing Capital Expenditures.

(a) The following sentence is hereby added to the end of Section 11.6(a) of the Agreement: “To the extent that, by the fifth anniversary of the Closing Date, Buyer shall have failed to expend or commit to expend funds pursuant to and in accordance with this Section 11.6(a), Buyer shall contribute such shortfall to a non-profit health care organization or organizations subject to the general charitable oversight of the Attorney General of the Commonwealth of Massachusetts (the “Attorney General”), after Buyer shall have notified the Attorney General of such shortfall and the charity which Buyer has selected to receive the contribution, and the Attorney General shall have approved the charity so selected.”

(b) The phrase “shall be in a total aggregate amount of at least \$25,000,000 over such five year period, unless such acute care hospital is closed or its general purpose is limited, in each case pursuant to the terms of Section 11.6(c), but” is hereby inserted in Section 11.6(b) of the Agreement immediately following the phrase “this Section 11.6(b)”.

(c) Section 11.6(c) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(c) From the Closing Date until the tenth anniversary of the Closing Date, Buyer shall maintain an acute care hospital in Taunton, Massachusetts, or the immediately surrounding area, providing at least substantially the same scope of services as the acute care hospital that is part of the Healthcare System currently provides (including at a minimum 14 inpatient, geriatric psychiatry beds), maintaining community benefits and charity care at the current levels consistent with the Attorney General’s Community Benefit Guidelines for Non Profit Hospitals, and using the name “Morton Hospital and Medical Center” or some reasonably similar words in its name (hereinafter the “Post-Closing System”); provided, however, after the fifth anniversary of the Closing Date through the tenth anniversary of the Closing Date, Buyer may limit the general purpose of or close the Post-Closing System if Buyer meets the criteria set forth on Schedule 11.6(c). From the Closing Date through the fifth anniversary of the Closing Date, Buyer shall not engage in a Change in Control Transaction.”

(d) The following subsections are hereby added to Section 11.6 of the Agreement immediately following Section 11.6(e) of the Agreement:

“(f) Community Benefit and Charity Care. For so long as the Buyer operates the Post-Closing System, it shall (i) maintain community benefit programs consistent with those currently provided by the acute care hospital that is part of the Healthcare System, including the currently operated adult uninsured clinic and school based health centers, (ii) continue to accept Government Program patients consistent with current Healthcare System practices and emergency patients regardless of ability to pay consistent with applicable law, (iii) provide culturally and linguistically appropriate services consistent with those currently provided at the Healthcare System, (iv) adopt and implement community benefit and charity care policies that are similar to those in effect at other Steward Health Care System hospitals and generally consistent with the Sellers’ current policies set forth on Schedule 11.6(f), and (v) comply with the Attorney General’s Community Benefit Guidelines for Non Profit Hospitals; provided, however, Buyer’s obligations under Section 11.6(f)(i) and Section 11.6(f)(iii) shall be subject to such changes over time that may be necessary or appropriate to ensure that such programs remain properly aligned with the needs and interests of the Post-Closing System’s patients, the broader community, and the operations of the Post-Closing System in the ordinary course of business.

(g) Regulatory Cooperation. Buyer confirms that it shall, notwithstanding its for-profit status, fully cooperate with any investigation, inquiry, study, report, or evaluation conducted by the Attorney General under her office’s oversight authority of the non-profit charitable hospital industry to the same extent and subject to the same protections and privileges as if Buyer were a public charity.

(h) Obligations of Successors. In connection with any Change in Control Transaction Buyer or any Affiliate of Buyer, as applicable, shall (i) provide written notice to the Attorney General within two business days after the execution of a definitive agreement governing such Change in Control Transaction (and such notice shall be provided to the Attorney General in no event less than 90 days prior to the closing of such Change in Control Transaction) and (ii) require, as a condition of such Change in Control Transaction, that any successor in interest to Buyer or any Affiliate of Buyer abide by the terms and conditions of Sections 11.6(b), 11.6(c), 11.6(f), 11.6(g), 11.6(i) and 11.8 hereof, and consent to the right of the Attorney General to enforce such provisions; provided, however, in the event that, prior to the occurrence of such Change in Control Transaction, Buyer or any Affiliate of Buyer has satisfied the criteria set forth on Schedule 11.6(c) to the extent that would permit Buyer or any Affiliate of Buyer to limit the general purpose of, or close the Post-Closing System, then as a condition of such Change in Control Transaction, the successor in interest to Buyer or any Affiliate of Buyer shall only be required to abide by the terms and conditions of Sections 11.6(f) and 11.6(g) hereof, and consent to the right of the Attorney General to enforce such provisions.

(i) Named Portions of the Hospital. Buyer acknowledges that (i) certain portions, departments, or wings of the acute care hospital that is part of the Healthcare System may be referred to by the name of individuals or entities, including without limitation individuals who previously made donations to the acute care hospital that is part of the Healthcare System or for whom dedications were otherwise made (the “Named Portions”) and (ii) certain plaques or other signs may be located at the acute care hospital that is part of the Healthcare System which evidence such names or dedications. After the Closing Date, Buyer shall keep such Named Portions and any such plaques or other signs in place until the earlier of such time that it no longer operates the Post-Closing System or Sellers were no longer required to comply with such obligation. All such Named Portions, plaques or other signs shall be as more particularly specified, no later than the Closing, on Schedule 11.6(i) attached hereto. All such Named Portions, plaques or other signs may be relocated or removed, as determined in Buyer’s reasonable discretion, upon the demolition or substantial renovation of the portion of the Post-Closing System in which they are located.”

5. Local Governing Board. The following sentence is hereby added to the end of Section 11.8 of the Agreement: “Buyer shall maintain such local governing board for so long as Buyer operates the Post-Closing System.”

6. Venue.

(a) The phrase “Superior Court of the Commonwealth of Massachusetts, Suffolk County or the United States District Court for the Commonwealth of Massachusetts” in Section 13.3(a) of the Agreement is hereby deleted and replaced with the phrase “courts of the Commonwealth of Massachusetts”.

(b) The phrase “each such court” contained in Section 13.3(a) of the Agreement is hereby deleted and replaced with the phrase “such courts”.

7. Schedule 11.6(c). The phrase “and any such notice sent after the fifth anniversary of the Closing Date may provide notice that the Post-Closing System experienced a negative Operating Margin in a year following the third anniversary of the Closing Date but prior to the fifth anniversary of the Closing Date” is hereby inserted in Schedule 11.6(c) immediately following the phrase “provided by Buyer before the fifth anniversary of the Closing Date.”.

8. Steward Medical Group, Inc. Buyer does hereby designate Steward Medical Group, Inc., a Massachusetts not-for-profit corporation (“SMG”) as a “Buyer” under the Agreement, so that SMG does hereby become a Buyer party to the Agreement; it being understood, however, that SMG is becoming a Buyer party solely for purposes of (a) acquiring at closing those Purchased Assets of Morton Physician Associates, Inc. and (b) assuming at closing those certain Assumed Liabilities which are liabilities of Morton Physician Associates, Inc.

9. Conveyance of Assets; Assumption of Assumed Liabilities. At the Closing, the Purchased Assets associated with Morton Physician Associates, Inc. shall be assigned and conveyed by Morton Physician Associates, Inc. to, and the Assumed Liabilities associated with Morton Physician Associates, Inc. shall be assigned by Morton Physician Associates, Inc. to, SMG.

10. Effect on Agreement; General Provisions. Except as set forth in this Amendment, the terms and provisions of the Agreement are hereby ratified and declared to be in full force and effect. This Amendment shall become effective upon its execution, which may occur in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Captions and paragraph headings are used herein for convenience only, are not a part of this Amendment or the Agreement as amended by this Amendment and shall not be used in construing either document. Other than the reference to the Agreement contained in the first recital of this Amendment, each reference to the Agreement and any agreement contemplated thereby or executed in connection therewith, whether or not accompanied by reference to this Amendment, shall be deemed a reference to the Agreement as amended by this Amendment.

[Signatures on next page]

IN WITNESS THEREOF, the parties have caused this Amendment to be executed in multiple originals by their duly authorized officers as of the date set forth above.

**SELLERS:**

**MORTON HOSPITAL AND MEDICAL CENTER, INC.**

By: *Mawreen Bryant*  
Print: Mawreen Bryant  
Title: President

**BUYER:**

**MORTON HOSPITAL, A STEWARD FAMILY HOSPITAL, INC.**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**MORTON PROPERTY, INC.**

By: *Mawreen Bryant*  
Print: Mawreen Bryant  
Title: President

**MORTON PHYSICIAN ASSOCIATES, INC.**

By: *Mawreen Bryant*  
Print: Mawreen Bryant  
Title: President

**JOINDER**

It is acknowledged and agreed that the undersigned does hereby join and become a Buyer party to the Agreement and subject to the terms of Section 8 above, (i) shall be entitled to all rights and benefits expressly applicable to a Buyer party under the Agreement and (ii) shall be bound by and observe all covenants applicable to or performable by a Buyer party under the Agreement:

**STEWARD MEDICAL GROUP, INC.**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

IN WITNESS THEREOF, the parties have caused this Amendment to be executed in multiple originals by their duly authorized officers as of the date set forth above.

**SELLERS:**

**MORTON HOSPITAL AND MEDICAL CENTER, INC.**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**MORTON PROPERTY, INC.**

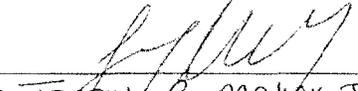
By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**MORTON PHYSICIAN ASSOCIATES, INC.**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**BUYER:**

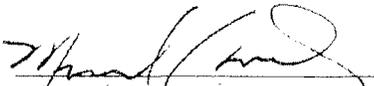
**MORTON HOSPITAL, A STEWARD FAMILY HOSPITAL, INC.**

By:   
Print: Joseph C. Maher, Jr.  
Title: Secretary

**JOINDER**

It is acknowledged and agreed that the undersigned does hereby join and become a Buyer party to the Agreement and subject to the terms of Section 8 above, (i) shall be entitled to all rights and benefits expressly applicable to a Buyer party under the Agreement and (ii) shall be bound by and observe all covenants applicable to or performable by a Buyer party under the Agreement:

**STEWARD MEDICAL GROUP, INC.**

By:   
Print: Michael J. Cahoon, MD  
Title: President