

SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

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

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT ("Second Amendment"), is entered into by and between **Garden City Hospital** ("Seller") and **Prime Healthcare Services-Garden City, LLC** ("Purchaser"), effective the 1st day of June, 2014.

RECITALS:

WHEREAS, Purchaser and Seller entered into a certain Asset Purchase Agreement on the 30th day of January, 2014, as amended (the "Agreement"); 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 in its entirety 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.

The parties acknowledge that certain economic, technologic, demographic and other changes may occur during the term of Purchaser's covenant specified in this Section 12.12 which may impact the service offerings provided by the Hospital. In the event a service offering of the Hospital is discontinued during the term of Purchaser's covenant specified in this Section 12.12, such action will not be deemed to be a breach of Purchaser's covenant to maintain the Hospital as an acute care hospital, substantially consistent with the Hospital's service offerings as of the Closing Date provided such decision was made by the Hospital advisory board, as identified in Section 12.11 of this Agreement, following consultation with and approval by the corporate board of Seller, if such board remains in existence at the time of the decision. If the corporate board of Seller is not in existence at the time of such decision, Purchaser will not be deemed to be in breach of the covenant set forth in this Section 12.12 if the decision was made by the Hospital advisory board, as identified in Section 12.11 of this Agreement.

(2) **Covenant Not to Sell Hospital.** Section 12.15 is hereby amended and restated in its entirety 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.

The parties acknowledge that certain economic, technologic, demographic and other changes may occur during the term of Purchaser's covenant specified in this Section 12.15 which may impact service offerings of the Hospital and the continued use or usefulness of the assets of the Hospital. In the event an asset of the Hospital is sold during the term of Purchaser's covenant specified in this Section 12.15, such action will not be deemed to be a breach of Purchaser's covenant not to sell the assets of the Hospital to a third party provided such decision was made by the Hospital advisory board, as identified in Section 12.11 of this Agreement, following consultation with and approval by the corporate board of Seller, if such board remains in existence at the time of the decision. If the corporate board of Seller is not in existence at the time of such decision, Purchaser will not be deemed to be in breach of the covenant set forth in this Section 12.15 if the decision was made by the Hospital advisory board, as identified in Section 12.11 of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Second Amendment to be executed by their authorized officers, effective as of the date set forth above. This Second 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
"Seller"

By: _____

By: _____

Printed: _____

Gary R. Ley
President/Chief Executive Officer

Title: _____