

SECOND AMENDMENT TO THE ASSET PURCHASE AGREEMENT

AMONG

**TRINITY HEALTH-MICHIGAN, PRIME HEALTHCARE SERVICES-PORT HURON,
LLC AND PRIME HEALTHCARE FOUNDATION, INC.**

This **SECOND AMENDMENT** to the **ASSET PURCHASE AGREEMENT** (“**Second Amendment**”) among Trinity Health-Michigan, a Michigan nonprofit corporation (“**Seller**”), Prime Healthcare Services-Port Huron, LLC (“**Purchaser**”) and Prime Healthcare Foundation, Inc., a Delaware nonprofit corporation (“**Prime Foundation**”) is hereby entered into and effective as of July 28, 2015 (“**Second Amendment Effective Date**”).

RECITALS:

WHEREAS, Seller and Purchaser entered into a certain Asset Purchase Agreement dated as of November 19, 2014 (“**Agreement**”), and entered into a First Amendment to Asset Purchase Agreement, effective as of July 28, 2015 (“**First Amendment**”); and

WHEREAS, Seller and Purchaser desire to further amend the Agreement on the terms and conditions set forth herein.

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 further amend the Agreement as follows:

AGREEMENT:

1. **Definitions**. The following defined terms shall be added to Section 1.1:

“*Accounts Receivable*” means the net, realizable patient accounts receivable of Seller of any type or nature that are exclusively related to the operations of the Hospital and Port Huron Mercy Family Care, a Michigan nonprofit corporation, whether billed or unbilled, recorded or unrecorded.

“*Closing Date Actual Accounts Receivable*” has the meaning given it in Section 3.5.

“*Closing Date First Projected Accounts Receivable*” has the meaning given it in Subsection 2.6(e).

“*Closing Date Second Projected Accounts Receivable*” has the meaning given it in Subsection 3.5(a).

2. **Purchase of Purchased Assets-Subsection 2.1(n)**. The word “and” at the end of Subsection 2.1(n) is hereby deleted.

3. **Purchase of Purchased Assets-Subsections 2.1(o) and 2.1(p)**. The period at the end of Subsection 2.1(o) is hereby deleted and replaced with “; and” and the following Subsection 2.1(p) shall be added to the Agreement:

(p) except as provided in Section 2.4(p), all Accounts Receivable, subject to the understanding and agreement by Prime and its Affiliates that all Accounts Receivable which pertain to services provided prior to the Effective Date will be billed and collected in accordance with (i) Seller’s historical policies, procedures and practices, copies of which have been made available to Purchaser, (ii) requirements for organizations exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), including without limitation, the financial assistance requirements set forth at Section 501(r) of the Code, and (iii) that certain Purchased Services Transition Agreement entered into between Purchaser and Trinity Health Corporation and effective as of the date immediately following the Closing.

4. **Excluded Assets-Section 2.4(a)**. Subsection 2.4(a) is hereby deleted in its entirety and replaced with the following Subsection 2.4(a):

(a) cash and cash equivalents including, but not limited to (i) board restricted assets, and (ii) intercompany receivables related to Hospital.

5. **Excluded Assets-Section 2.4(n)**. Subsection 2.4(n) is hereby deleted in its entirety and replaced with the following Subsection 2.4(n):

(n) except with respect to the Accounts Receivable provided at Section 2.1(p), all rights of payment for goods and services with respect to the operation of the Hospital and Port Huron Mercy Family Care for services rendered prior to the Effective Time;

6. **Consideration, Purchase Price and Projected Net Working Capital-Section 2.6**. The header of Section 2.6 is hereby deleted in its entirety and replaced with “**Consideration, Purchase Price, Projected Net Working Capital and Accounts Receivable.**”

7. **Consideration, Purchase Price and Projected Net Working Capital-Subsection 2.6(a)**. Subsection 2.6(a) is hereby deleted in its entirety and replaced with the following Subsection 2.6(a):

“(a) An amount equal to the sum of (i) Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) *plus* (ii) the Closing Date Projected Net Working Capital subject to the “true up” process described in Section 3.4 below *plus* (iii) the Closing Date First Projected Accounts Receivable subject to the “true up” process described in Section 3.5 below (“*Purchase Price*”). No later than ten (10) Business Days prior to Closing, Seller shall prepare and deliver to Purchaser a good-faith estimate of the Purchase Price with supporting detail and documentation satisfactory to Purchaser in its reasonable discretion. Such calculation will be attached hereto as Schedule 2.6(a).”

8. **Consideration, Purchase Price, Projected Net Working Capital and Accounts Receivable-Subsection 2.6(e)**. The following Subsection 2.6(e) is hereby added to the Agreement:

(e) **Accounts Receivable**. On the Closing Date, Seller shall deliver to Purchaser a certificate setting forth the sum of the Accounts Receivable that are outstanding as of the Closing Date, based on the last day of the calendar month immediately preceding the month in which the Closing Date occurs for which financial statements are available and any updated information available to Seller at that time, reduced by an amount equal to eight and one-half percent (8.5%) of that sum (the “*Closing Date First Projected Accounts Receivable*”). Such determination shall be made in accordance with GAAP and consistent with the definition of Accounts Receivable. **Schedule 2.6(e)** sets forth the Closing Date First Projected Accounts Receivable. Consistent with the true up process set forth at **Section 3.5**, the Closing Date First Projected Accounts Receivable will be reconciled with the Closing Date Second Projected Accounts Receivable and the Closing Date Actual Accounts Receivable.

9. **True Up**. The header of Section 3.4 is hereby deleted in its entirety and replaced with “**Closing Date Projected Net Working Capital True Up.**”

10. **Accounts Receivable True Up**. The following Section 3.5 is hereby added to the Agreement:

3.5 **Accounts Receivable True Up**.

(a) By no later than ninety (90) days after the Closing, there shall be a dollar for dollar adjustment to the total dollar amount of Closing Date First Projected Accounts Receivable, compared to the Accounts Receivable that are outstanding as of the Closing Date (the “*Closing Date Second Projected Accounts Receivable*”). The calculation of the Closing Date Second Projected Accounts Receivable contemplated by this **Section 3.5** shall include amounts calculated in accordance with GAAP and consistent with the methodology for calculating the Closing Date First Projected Accounts Receivable as set forth on **Schedule 2.6(e)**. Within fifteen (15) days following determination of the Closing Date Second Projected Accounts Receivable, any difference between the amount of the Closing Date First Projected Accounts Receivable and the Closing Date Second Projected Accounts Receivable shall be paid (i) to Seller if the Closing Date Second Projected Accounts Receivable exceeds the Closing Date First Projected Accounts Receivable, or (ii) to Purchaser if the Closing Date Second Projected Accounts Receivable are less than the Closing Date First Projected Accounts Receivable

(b) By no later than ninety (90) days after the first annual anniversary of the Closing, the total dollar amount of Accounts Receivable collected during the one (1) year period immediately following the Closing Date shall be determined (the “*Closing Date Actual Accounts Receivable*”). The calculation of the Closing Date Actual Accounts Receivable contemplated by this **Section 3.5** shall include amounts calculated in accordance with GAAP and consistent with the methodology for calculating the Closing Date First Projected Accounts Receivable as set forth on **Schedule 2.6(e)**. Within fifteen (15) days following determination of the Closing Date Actual Accounts Receivable, any

difference between the amount of the Closing Date Second Projected Accounts Receivable and the Closing Date Actual Accounts Receivable shall be paid (i) to Seller if the Closing Date Actual Accounts Receivable exceeds the Closing Date Second Projected Accounts Receivable, or (ii) to Purchaser if the Closing Date Actual Accounts Receivable are less than the Closing Date Second Projected Accounts Receivable.

(c) In purchasing the Accounts Receivable and performing the true up of the Accounts Receivable described in Sections 3.5(a) and 3.5(b), Purchaser acknowledges and agrees that it will not have or seek access to Seller's or its Affiliates' accounting system or its payor contracts, rates or related information and that any such information inadvertently accessed will promptly be discarded or deleted and not used for any purpose whatsoever.

(d) Any Accounts Receivable outstanding after the date of the true up set forth in this Section 3.5 shall be retained by Purchaser as such amounts are collected in accordance with the provisions of Section 2.1(p) of this Agreement.

11. **Miscellaneous.** Except as otherwise expressly set forth herein, the remaining terms of the Agreement, as amended, remain in full force and effect. Defined terms not otherwise defined herein shall have the meaning attributed thereto in the Agreement. This Second Amendment may be executed in counterparts, each of which will be deemed an original, and together, one instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their authorized officers, effective as of the date and year first written above. This Second Amendment may be executed in counterparts, each of which will be deemed an original, and together, one instrument.

PURCHASER:

**PRIME HEALTHCARE SERVICES-PORT
HURON, LLC**

Name: _____

Title: _____

SELLER:

TRINITY HEALTH-MICHIGAN

Name: _____

Title: _____

PRIME FOUNDATION:

PRIME HEALTHCARE FOUNDATION, INC.

Name: _____

Title: _____

SCHEDULE 2.6(e)
CLOSING DATE FIRST PROJECTED ACCOUNTS RECEIVABLE