

EXHIBIT A

Transaction Summary and Asset Purchase Agreement

EXHIBIT A

Asset Purchase Agreement (“APA”) Summary¹

- **Form of Transaction.** This is an acquisition of substantially all of the assets of the Sellers. The transaction does not include the assets or operations of Morton Health Foundation, Inc., Morton Hospital Auxiliary, Inc. or Community Counseling of Bristol County, Inc.
- **Disclosure Schedules.** The Sellers had until April 28, 2011 to deliver any schedules to the APA that were not attached to the APA at signing. Steward had until May 19, 2011 to provide the Sellers notice of its objections. If Steward’s schedule objections are not adequately addressed during the 15-day period after Steward provided notice to the Sellers of its objections, Steward has the right to terminate the APA. §1.3(d).
- **Purchased Assets.** The Purchased Assets include all tangible and intangible assets (including accounts receivable and Medicare and MassHealth provider numbers of the Sellers) other than those categories of assets which are specifically listed as excluded from the transaction. §2.1.
- **Excluded Assets.** Assets which are excluded from the transaction include: (a) specified contracts listed on a schedule to the APA; (b) any physician contract which is not disclosed in the disclosure schedules to the APA; (c) oral arrangements with any third parties; and (d) all restricted and unrestricted cash and cash equivalents. However, the Sellers will use all of their cash, other than donor-restricted funds, to discharge their indebtedness at the closing. §2.2.
- **Assumed Liabilities.** Steward will assume all obligations and liabilities of the Sellers of any kind relating to or arising out of the ownership and operation of the Purchased Assets. Such Assumed Liabilities include: (a) accrued payroll expenses; (b) accrued paid time off; (c) all obligations with respect to the Sellers’ employee benefit plans; and (d) pre-closing liabilities associated with the assumption of the Sellers’ Medicare and MassHealth provider numbers. §2.3.
- **Excluded Liabilities.** Steward will not assume: (a) the Seller’s liabilities relating to the Excluded Assets; and (b) the Sellers’ outstanding indebtedness as of the Closing to the extent that such indebtedness can be satisfied with the Seller’s available cash (to the extent such cash is insufficient, any remainder would be satisfied by Steward at the Closing). §2.4.
- **Purchase Consideration.** The purchase consideration, estimated at approximately \$53 million, to be provided by Steward consists of: (a) the discharge of the Sellers’ indebtedness (subject to the Sellers first applying their available cash to such

¹ All capitalized terms herein are as defined in the APA. This is a summary only, and may not be relied upon in lieu of the APA.

indebtedness at the Closing); and (b) Steward's assumption of the Assumed Liabilities, including the Sellers' liabilities under its employee benefit plans. §2.5(a).

- **Representations and Warranties.** The Sellers provide typical representations and warranties for a transaction of this type. If any representations are qualified by the “knowledge” of the Sellers, that means the actual knowledge of certain individuals listed on a schedule. In the event of a breach by the Sellers of their representations and warranties, Steward is permitted to not close the transaction only if the breach has had, or its reasonably likely to have, a Material Adverse Effect. The representations and warranties do not survive the Closing. Article 5, §12.1.
- **Material Adverse Effect.** For purposes of the APA, the definition of Material Adverse Effect means a circumstance, condition or occurrence that has had, or is reasonably likely to have, a material adverse effect on the business, operations, property, financial condition or results of operations of the Purchased Assets or the Healthcare System taken as a whole. However, the definition expressly excludes: (a) any failure of the Sellers to meet their projections or forecasts for any period; and (b) certain regulatory compliance matters which have been disclosed to Steward by the Sellers. §1.1.
- **Pre-Closing Covenants.** Prior to the Closing, the Sellers are subject to customary pre-closing operating covenants, including a “no-shop” covenant. Prior to the Closing, the Sellers are obligated to arrange for a meeting between Steward representatives and the Sellers' benefit plan investment advisor in order to discuss current and potential investment vehicles for the Sellers' benefit plans. §§7.2, 7.3, 7.6 and 7.12.
- **Employees.** Steward will extend offers of employment on an “at-will” basis to all active employees of the Sellers who are in good standing on the same terms and conditions as currently in effect, and provide employee benefits in a manner consistent with similarly-situated employees at other Steward facilities. As of the Closing, Steward agrees to be bound by the terms of the Sellers' collective bargaining agreement. The Sellers will be prohibited from soliciting the employment of any hired employee for twelve months after the closing. §10.1.
- **Conditions to Closing.** Among other typical closing conditions, the transaction is subject to: (a) receipt of all required governmental approvals without the imposition of any condition deemed by Steward to be burdensome, as determined in Steward's reasonable discretion; (b) no Material Adverse Effect having occurred subsequent to the signing of the APA; (c) receipt by Steward of evidence that all of the Sellers' indebtedness has been satisfied and is no longer outstanding, including an opinion from the bond counsel; and (d) receipt by Steward of: (i) a title policy for the acquired real property, (ii) an acceptable ALTA survey, and (iii) acceptable environmental surveys. Article 9.
- **Tail Coverage.** At closing, the Sellers are required to obtain tail insurance covering professional and D&O liabilities, the cost of which will ultimately be borne by Steward. §11.13.

- **Post-Closing Capital Investment.** Steward will expend (or commit to expend) no less than \$85,000,000 over the five-year period after the Closing for capital expenditures and investments to improve, furnish, equip and expand services at the hospital now known as Morton Hospital & Medical Center, \$25,500,000 of which will be expended (or committed to be expended) within the first year. The APA sets forth certain specific projects which Steward intends to fund, including specified information technology projects. During years six through ten after the Closing, Steward will expend (or commit to expend) an average of 100% to 125% of the annual depreciation expense of the hospital now known as Morton Hospital & Medical Center for capital expenditures and investments to improve, furnish, equip and expand services, not to exceed \$35,000,000 in the aggregate. §§11.6(a), 11.6(b), 11.6(d) and 11.6(e).
- **Maintenance of Services.** Steward will maintain an acute-care hospital in Taunton, Massachusetts, and maintain community benefits and charity care at current levels, for the first five years after the Closing without regard to its economic situation, and during years six through ten after the Closing subject to certain financial metrics and notice requirements. The earliest that Steward could cease operations would be the seventh anniversary of the Closing. §11.6(c), Schedule 11.6(c).
- **Local Board.** Steward will appoint a local governing board comprised of community members, Medical Staff members and appropriate executive officers, which local board will have authority comparable to Steward's other local hospital boards, as well as authority over strategic planning, prioritization of capital investments and community benefit plans. The Sellers will, after consulting with Steward, nominate the individuals to be appointed to the initial local governing board as of the Closing. Subsequent to the Closing, the current members of the local governing board will nominate individuals for appointment to the local governing board, with such nominees to be appointed by Steward so long as such nominees are approved by the Chairman of Steward in his sole discretion. §11.8.
- **Medical Staff.** Medical Staff members in good standing at the Closing will maintain Medical Staff privileges as of the effective time of the Closing. After the effective time of the Closing, the Medical Staff will be subject to Medical Staff bylaws then in effect, as amended from time to time in accordance with the terms thereof. §11.10.
- **Wind-Down of Operations.** Steward will manage the Sellers' post-closing wind-down process, as more particularly set forth on a schedule to the APA, the expenses of which will be borne by Steward. §11.11.
- **Specific Performance.** Each party to the APA is entitled to the remedy of specific performance. §12.3.
- **Termination.** The APA contains typical termination provisions for a transaction of this type. If the APA is terminated, no party would have any obligation to the other, except for a termination due to breach. In addition, if Steward's conditions to the Closing have been satisfied, but Steward nevertheless does not proceed with the Closing and the Sellers have chosen not to enforce their remedy of specific performance, the Sellers can elect to

terminate the APA, in which case Steward would be required to pay a \$2 million termination fee to the Sellers (which is characterized as liquidated damages). §§11.2 and 12.4.

- **Survival.** The covenants contained in the APA survive the Closing in accordance with their respective terms (but, as set forth above, the representations and warranties do not survive the Closing). §12.1.
- **Guaranty.** Steward Health Care System LLC executed and delivered to the Sellers a guarantee of performance. §13.20.
- **Disputes.** All disputes will be brought in state or federal court and the parties would waive their right to trial by jury. §13.3.
- **Transaction Costs.** Each party bears its own costs, except that the costs of the title policies, ALTA survey, environmental surveys and recording fees are borne by Steward. §13.7.

ASSET PURCHASE AGREEMENT

BY

AND

AMONG

**MORTON HOSPITAL AND MEDICAL CENTER, INC.,
MORTON PROPERTY, INC.,
MORTON PHYSICIAN ASSOCIATES, INC.**

AND

STEWARD MEDICAL HOLDINGS SUBSIDIARY THREE, INC.

Dated as of March 29, 2011

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of March 29, 2011 by and among **MORTON HOSPITAL AND MEDICAL CENTER, INC.**, a Massachusetts not-for-profit corporation (the “Hospital”) and its affiliated entities, **MORTON PROPERTY, INC.**, a Massachusetts corporation and **MORTON PHYSICIAN ASSOCIATES, INC.**, a Massachusetts not-for-profit corporation (the Hospital and the aforementioned affiliated entities, each a “Seller” and collectively, the “Sellers”), on the one hand, and **STEWART MEDICAL HOLDINGS SUBSIDIARY THREE, INC.**, a Delaware corporation (“Buyer”), on the other.

WITNESSETH:

WHEREAS, the Sellers engage in the affiliated delivery of acute care and other medical services in and around Taunton, Massachusetts through the ownership and operation of the Purchased Assets (defined below), including the operation of Morton Hospital and Medical Center (collectively, the “Healthcare System”); and

WHEREAS, in reliance upon the representations, warranties and covenants set forth herein Buyer wishes to purchase and assume, and the Sellers desire to sell and assign, the Purchased Assets and the Assumed Liabilities (defined below) used in the operation of the Healthcare System, all as more fully set forth herein.

NOW, THEREFORE, for and in consideration of the premises, and the agreements, covenants, representations and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. As used herein the terms below shall have the following meanings:

“**Accrued PTO**” has the meaning set forth in Section 2.3(b).

“**Affiliate**” means with respect to any Person, any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such specified Person. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by membership, by contract or otherwise; and the terms “controlling” and “controlled” having meanings correlative to the

foregoing. Without limiting the foregoing, Affiliate shall not include (i) any physician that is a member or stockholder of any Seller or (ii) any member of Steward Health Care System LLC.

“Agreement” means this Agreement, as amended or supplemented, together with all Exhibits and Schedules attached or delivered with respect hereto or expressly incorporated herein by reference.

“Approval” means any approval, authorization, consent, notice, qualification or registration, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Entity.

“Assumed Contracts” has the meaning set forth in Section 2.1(d).

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Buyer” has the meaning set forth in the Preamble hereto.

“CERCLA” has the meaning set forth in the definition of Environmental Laws.

“Change in Control Transaction” means (i) a transaction in which a Person is or becomes the beneficial owner, directly or indirectly, of securities of another Person representing fifty percent (50%) or more of the total voting power represented by such Person’s then outstanding voting securities; (ii) a merger or consolidation in which a Person is a party and in which the equity holders of such Person before such merger or consolidation do not retain, directly or indirectly, at a least majority of the beneficial interest in the voting equity interests of the Person that survives or results from such merger or consolidation; or (iii) a sale or disposition by a Person or its Affiliates of all or substantially all of such Person’s assets or those of its Affiliates existing as of the date hereof either to a single or multiple buyers thereof. Notwithstanding the foregoing, in no event shall the acquisition of voting securities by one or more Persons (even if such offering represents 50% or more of the total voting power represented by a Person’s then outstanding voting securities) in a public offering constitute a Change in Control Transaction.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“COBRA” has the meaning set forth in Section 10.1(d).

“Code” means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

“Confidentiality Agreement” shall have the meaning set forth in Section 11.14.

“Continuing Employee” has the meaning set forth in Section 10.1(b).

“Contract” means any written contract, commitment, instrument, lease, or other arrangement or agreement.

“De Minimis Contract” means any Contract, other than a Physician Contract, that either (i) requires total expenditures subsequent to Closing of not more than \$25,000 or (ii) can be terminated without cause or penalty within ninety (90) days after Closing without the expenditure of more than \$25,000 within such ninety (90) day period.

“Effective Time” has the meaning set forth in Section 13.5.

“Employees” has the meaning set forth in Section 5.16(b).

“Encumbrance” means any claim, charge, easement, encumbrance, conditional sales agreement, right of first refusal, option, encroachment, security interest, mortgage, lien, pledge or restriction, whether imposed by Contract, Law, equity or otherwise.

“Environmental Condition” as to either Party, means any event, circumstance or conditions related in any manner whatsoever to: (i) the current or past presence or spill, emission, discharge, disposal, release or threatened release of any hazardous, infectious or toxic substance or waste (as defined by any applicable Environmental Laws) or any chemicals, pollutants, petroleum, petroleum products or oil (**“Hazardous Materials”**), into the environment; or (ii) the on-site or off-site treatment, storage, disposal or other handling of any Hazardous Material originating on or from the Real Property; or (iii) the placement of structures or Hazardous Materials into waters of the United States; or (iv) the presence of any Hazardous Materials in any building, structure or workplace or on any portion of the Real Property; or (v) any violation of Environmental Laws at or on any part of the Real Property, or arising from the activities of the Sellers or any Affiliate of them on any part of the Real Property, involving Hazardous Materials.

“Environmental Laws” means all Laws relating to pollution or the environment, including the Comprehensive Environmental Recovery, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.* (**“CERCLA”**); the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, *et seq.* (**“RCRA”**), the Clean Air Act, 42 U.S.C. § 7401, *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 600, *et seq.* (**“OSHA”**), and all other Laws relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, chemicals, pesticides, or industrial, infectious, toxic or hazardous substances or wastes into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or otherwise relating to the processing, generation, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, infectious, toxic, or hazardous substances or wastes.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Controlled Group” means a group of Persons considered to be aggregated with each other pursuant to Section 414(b), (c), (m) or (o) of the Code.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” has the meaning set forth in Section 2.2(a).

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Exhibits” means the exhibit(s) to this Agreement.

“Foundation” means Morton Health Foundation, Inc., the parent company of each of the Sellers.

“Financial Obligations” means, as of the date of determination, an amount equal to the aggregate amount outstanding under the Assumed Liabilities. The Financial Obligations as of December 31, 2010 are set forth on Schedule 1.1A.

“Furniture and Equipment” means all equipment (including movable equipment), vehicles, furniture or furnishings that are held or used by the Sellers in the business or operation of the Healthcare System (other than Excluded Assets), including all such equipment, vehicles, furniture or furnishings that have been fully depreciated for accounting purposes.

“GAAP” means United States generally accepted accounting principles and practices as in effect from time to time, as modified as described in Schedule 5.6 and applied by the Sellers consistently throughout the periods involved and in accordance with the Sellers’ prior practices and policies.

“Government Programs” means the federal Medicare and TRICARE programs, all applicable state Medicaid and successor programs.

“Governmental Entity” means any government or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

“Hazardous Materials” has the meaning set forth in the definition of Environmental Condition.

“Historical Financial Information” has the meaning set forth in Section 5.6(a).

“Intellectual Property” means all U.S. and foreign (i) patents, including continuations, provisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon, (ii) inventions (whether or not patentable), (iii) trademarks, service marks, trade names, service names, brand names, trade dress rights, and logos (in each case regardless whether registered) and goodwill associated with any of the foregoing, (iv) Internet domain name registrations, (v) copyrights (regardless whether registered), (vi) all trade secrets and confidential business information (including, without limitation, ideas, concepts, formulae, know-how, research and development information, drawings, specifications, designs, plans, proposals, technical data,

financial, business and marketing plans, and customer and supplier lists and related information), (vii) registrations and applications for registration for the foregoing, and (viii) all other intellectual property rights and exclusive licenses thereto, held by the Sellers and related to the operation of the Healthcare System or the Purchased Assets.

“Inventory” means all inventory and supplies held or used in the business or operation of the Sellers.

“Law” means any constitutional provision, statute, ordinance or other law, rule, regulation or order of any Governmental Entity.

“Leased Real Property” means all real property subject to a leasehold or subleasehold estate (and in which a Seller is the tenant or subtenant) held or used in the business or operation of the Healthcare System described on Schedule 1.1B, which constitutes all leasehold or subleasehold interests held by the Sellers and used in the business or operation of the Healthcare System.

“Material Adverse Effect” shall mean any fact, circumstance, event, change, effect, condition or occurrence that, individually or in the aggregate, has had or is reasonably likely to have a material adverse effect on the business, operations, property, financial condition or results of operations of the Purchased Assets or the Healthcare System, taken as a whole; provided, however, that any adverse effect arising out of, resulting from or attributable to any of the following shall not constitute or be deemed to contribute to a Material Adverse Effect, and otherwise shall not be taken into account in determining whether a Material Adverse Effect has occurred: (i) a fact, circumstance, event, change, effect or occurrence, or series of such items, to the extent affecting (A) global, national or regional economic, business, regulatory, market or political conditions or national or global financial markets, including changes in interest or exchange rates or (B) the healthcare industry generally, (ii) the negotiation, execution or the announcement of, or the performance of obligations under, this Agreement, the Schedules or the other documents contemplated by this Agreement or the consummation of the transactions contemplated hereby, (iii) any changes or any proposed changes in Law after the date of this Agreement that are not directed at the Sellers, Buyer or hospitals operated by for-profit entities, in each instance to the exclusion of others, (iv) any changes or any proposed changes in GAAP after the date of this Agreement, (v) any actions expressly permitted to be taken pursuant to this Agreement or taken with the specific written consent of or at the written request of Buyer, (vi) earthquakes, hurricanes, or other natural disasters or acts of God, (vii) any hostilities, acts of war, sabotage, terrorism or military actions, or any escalation or worsening of any such hostilities, act of war, sabotage, terrorism or military actions, (viii) any failure to meet internal or published projections, estimates or forecasts of revenues, earnings, or other measures of financial or operating performance for any period, (ix) the implementation of the Patient Protection and Affordable Care Act, or (x) those matters set forth in a writing delivered by the Sellers to Buyer on the date of this Agreement which specifically makes reference to Section 5.6.

“Medicaid” means Title XIX of the Social Security Act.

“Medicare” means Title XVIII of the Social Security Act.

“Navigant” means Navigant Capital Advisors, LLC.

“OSHA” has the meaning set forth in the definition of Environmental Laws.

“Owned Real Property” means all the real property described on Schedule 1.1C, which constitutes all real property both (a) owned by any Seller and (b) held or used in the business or operation of the Sellers (other than Excluded Assets), together with all leases and subleases therein, improvements, buildings or fixtures located thereon or therein, all easements, rights of way, and other appurtenances thereto (including appurtenant rights in and to public streets), and all claims and recorded or unrecorded interests therein, including any and all options to acquire such real property.

“Party or Parties” shall mean Buyer and/or each of the Sellers as the case may be.

“Permit” means any license, permit, registration, certification or accreditation issued by any Governmental Entity or private accreditation organization.

“Permitted Encumbrances” has the meaning set forth in Section 9.6(c).

“Person” means an association, a corporation, a limited liability company, an individual, a partnership, a limited liability partnership, a trust or any other entity or organization, including a Governmental Entity.

“Physician Contract” means any Contract with a (i) physician, (ii) a physician group or (iii) a Person who employs or contracts with physicians, in each case in a position to refer business to the Healthcare System. For the purposes of this definition, the term “physician” shall include the family members of such physician as determined by applicable Law.

“Plans” has the meaning set forth in Section 5.15(a).

“Purchased Assets” has the meaning set forth in Section 2.1.

“RCRA” has the meaning set forth in the definition of Environmental Laws.

“Real Property” means the Owned Real Property and the Leased Real Property.

“Scheduled Contracts” has the meaning set forth in Section 5.11.

“Schedules” means the disclosure schedules to this Agreement.

“Taxes” has the meaning set forth in Section 5.18(a).

“WARN Act” has the meaning set forth in Section 10.1(b).

1.2 Interpretation. In this Agreement, unless the context otherwise requires:

(a) references to this Agreement are references to this Agreement and to the Exhibits and Schedules;

(b) references to Articles and Sections are references to articles and sections of this Agreement;

(c) references to any Party to this Agreement shall include references to its respective successors and permitted assigns;

(d) references to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal or arbitrator in a binding arbitration;

(e) the terms “hereof,” “herein,” “hereby,” and derivative or similar words will refer to this entire Agreement;

(f) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the Parties from time to time in accordance with the terms thereof;

(g) references to any Law shall also refer to all rules and regulations promulgated thereunder;

(h) the word “including” (and all derivations thereof) shall mean including, without limitation;

(i) references to time are references to Eastern Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein;

(j) the gender of all words herein include the masculine, feminine and neuter, and the number of all words herein include the singular and plural;

(k) provisions of this Agreement shall be interpreted in such a manner so as not to inequitably benefit or burden any Party through “double counting” of assets or liabilities or failing to recognize benefits that may result from any matters that impose losses or burdens on any Party; and

(l) the terms “date hereof,” “date of this Agreement” and similar terms shall mean the date set forth in the opening paragraph of this Agreement.

1.3 **Schedules.** Buyer and the Sellers hereby acknowledge and agree as follows:

(a) the Schedules and any disclosures made in or by virtue of them are integral parts of this Agreement as if fully set forth in this Agreement and all statements appearing therein, as applicable, shall be deemed to be representations hereunder;

(b) the fact that any items of information are contained in the Schedules shall not be construed as an admission of liability under any applicable Law, or to mean that such information is required to be disclosed in or by this Agreement, or to mean that such information is material. Nothing in the Schedules constitutes an admission of any liability or obligation of any Seller to any third party, nor an admission against Buyer's interest;

(c) items disclosed on one particular Schedule relating to one section of the Agreement are deemed to be constructively disclosed or listed on other Schedules relating to other sections of the Agreement to the extent it is reasonably apparent on the face of such other Schedules that such disclosure is applicable to such other Schedules; and

(d) to the extent not delivered on the date of this Agreement, the Sellers shall deliver to Buyer all schedules to this Agreement (including any writing which specifically makes reference to Section 5.6) within thirty (30) days after the date of this Agreement (it being understood that, for purposes of determining the Sellers' compliance with its representations and warranties contained in Article 5, the Sellers shall be deemed to have delivered all such schedules on the date of this Agreement). Buyer shall have fifteen (15) days after receipt of all such schedules to this Agreement to either accept such schedules or to deliver a notice to the Sellers (the "Schedule Notice") containing Buyer's questions or comments to such schedules as identified by Buyer regarding clarification of information provided in such schedules or requesting additional information that Buyer, in its reasonable judgment, deems necessary or appropriate to be contained in such schedules based on Buyer's due diligence of the Healthcare System; provided, that if Buyer does not deliver a Schedule Notice within such prescribed time period, Buyer shall be deemed to have accepted all such schedules. If the Schedule Notice is sent by Buyer to the Sellers, the Parties shall discuss changes to such schedules as identified by Buyer and the Sellers shall use commercially reasonable efforts to revise such schedules. If (i) the Sellers are unable to so change or revise such schedules on or before the date that is fifteen (15) days following the receipt of the Schedule Notice for reasons other than delays caused by Buyer, or (ii) such identified schedules contain information that would constitute a Material Adverse Effect and such information was not provided by Sellers to Buyer prior to the date of this Agreement during Buyer's due diligence of the Healthcare System, then Buyer may terminate this Agreement within five (5) days after the expiration of such fifteen (15) day period following the receipt of the Schedule Notice. Buyer's failure to terminate this Agreement within five (5) days after the expiration of such fifteen (15) day period following the receipt of the Schedule Notice shall constitute Buyer's deemed acceptance of such schedules.

ARTICLE 2

SALE OF PURCHASED ASSETS AND CERTAIN RELATED MATTERS

2.1 Sale of Purchased Assets. At Closing and subject to the terms and conditions of this Agreement, other than the Excluded Assets, the Sellers shall sell, transfer, convey, assign and deliver to Buyer, free and clear of all Encumbrances other than Permitted Encumbrances, and Buyer shall purchase from the Sellers, all rights, title, and interest in and to all assets, properties and rights of every description, and whether real, personal or mixed, tangible or intangible, owned or leased by the Sellers and held or used by the Sellers as of the Closing, including, without limitation, the following items (collectively, the “Purchased Assets”):

- (a) All Furniture and Equipment;
- (b) Good and marketable title in fee simple absolute to the Owned Real Property, and, to the extent permitted by law, any rights of the Sellers against third parties related to any such Owned Real Property, together with all plants, buildings, structures, improvements, construction in progress, appurtenances, covenants, easements, servitudes and fixtures situated thereon, forming a part thereof, or in any manner belonging to or pertaining to such interests of the Sellers;
- (c) The Sellers’ interest in the Contracts relating to the Leased Real Property;
- (d) (i) All of the interest of the Sellers in all Scheduled Contracts, (ii) all Contracts that both are not listed on Schedule 5.11 and that are De Minimis Contracts that relate primarily or exclusively to the operations of the Healthcare System and (iii) all Contracts representing Financial Obligations to the extent disclosed on Schedule 1.1A (collectively, the “Assumed Contracts”);
- (e) All Permits and Approvals to the extent assignable under applicable Law and which are held or used by the Sellers and relate to the ownership, development and business or operation of the Purchased Assets or the Healthcare System (including any pending Permits and Approvals related thereto), including those Permits and Approvals listed on Schedule 2.1(e);
- (f) All computer hardware, software, and data processing equipment owned or licensed by the Sellers or used in the business or operation of the Healthcare System or the operation of the Purchased Assets which, in the case of software, is listed on Schedule 2.1(f) unless it is a De Minimis Contract, and, to the extent assignable or transferable, all rights in all warranties of any manufacturer or vendor with respect thereto;
- (g) All Inventory;
- (h) Assumable prepaid expenses, the categories of which are listed on Schedule 2.1(h), claims for refunds and rights to offset in respect thereof;

(i) To the extent transferable or assignable under applicable Law, all financial, patient and medical staff records held or used by the Sellers in the business or operation of the Healthcare System;

(j) All Intellectual Property, including the rights in the name Morton Hospital and Medical Center;

(k) The Sellers' goodwill in respect of the Purchased Assets or the Healthcare System;

(l) Any insurance proceeds relating to the Purchased Assets or the Assumed Liabilities, including to the extent provided in Section 11.7;

(m) All records related to the business, operation or ownership of the Purchased Assets or the operation of the Healthcare System including all patient lists, medical and treatment records, files, charts, books, records, ledgers, data, databases and documentation relating to the Purchased Assets or the Healthcare System, ad valorem and sales and use Tax returns and records (but specifically excluding income Tax returns, franchise Tax returns and supporting materials for such returns such as working papers and Tax provisions), and the Healthcare System's policy and procedure manuals, compliance programs, standard operating procedures, operating manuals and files;

(n) All provider numbers and related agreements related to any Government Programs and third-party payor arrangements;

(o) All accounts, notes, interest and other receivables of the Sellers, and all claims, rights, interest and proceeds related thereto, including without limitation, cost report receivables due and owing from any third party payors, including without limitation government payors, arising from the rendering of services by the Sellers, in each case whether billed or unbilled, recorded or unrecorded, and any rights of the Sellers to settlement and retroactive adjustments, if any, and any disproportionate share payments or enhanced payments from such third party payors;

(p) All rights, claims, causes of action, and suits that the Sellers have or may have against third parties in connection with the Purchased Assets, the Assumed Liabilities or the operation of the Healthcare System;

(q) interests in joint ventures, partnerships, corporations and limited liability companies as set forth on Schedule 2.1(q);

(r) the Sellers' interest in all telephone numbers used in connection with the operation of the Healthcare System; and

(s) any other assets of the Sellers identified on Schedule 2.1(s).

2.2 Excluded Assets. Notwithstanding anything in this Agreement to the contrary, the Sellers are not selling, and Buyer is not purchasing or assuming obligations with respect to, the following assets which shall remain the property of the Sellers after the Closing (the “Excluded Assets”):

(a) All the Contracts, if any, listed on Schedule 2.2(a) and any Physician Contract that is not disclosed on Schedule 5.11 (collectively, the “Excluded Contracts”);

(b) The corporate record books, minute books, and corporate seals and all corporate records of any kind that the Sellers are required by Law to retain in each of their own respective possessions, if any, specifically described on Schedule 2.2(b);

(c) Such other property and assets, if any, specifically described on Schedule 2.2(c);

(d) All rights of the Sellers under this Agreement or any agreement contemplated hereby;

(e) All intercompany accounts of the Sellers and their non-Seller Affiliates;

(f) To the extent permitted by Section 7.2 hereof, all assets disposed of or exhausted prior to Closing, including Inventory, prepaid expenses and Furniture and Equipment;

(g) All restricted and unrestricted cash and cash equivalents, including investments in marketable securities, certificates of deposit and bank accounts (it being understood that all such cash, other than donor-restricted funds, shall be utilized by the Sellers at the Closing for purposes of satisfying their obligations under Section 11.13 and then discharging such amount of the Discharged Indebtedness as such cash is able to discharge);

(h) Any oral arrangements with any third party; and

(i) Any Permits of the Sellers to operate the Healthcare System that are not assignable to Buyer specifically described on Schedule 2.2(i).

2.3 Assumed Liabilities. As of Closing, the Sellers shall assign, and the Buyer shall assume and agree to discharge and perform and pay and satisfy when due on and after the Closing Date, all obligations, Contracts and liabilities of the Sellers of any kind, character or description (whether accrued, absolute, contingent or otherwise) relating to or arising out of the ownership and operation of the Purchased Assets, and no other liabilities (collectively, the “Assumed Liabilities”) including:

(a) obligations and liabilities as of the Closing Date in respect of accrued payroll expenses of the Sellers’ employees (including employer FICA and any other estimated employer taxes thereon);

(b) obligations and liabilities as of the Closing Date in respect of accrued paid time off of the Sellers' employees (including employer FICA and any other estimated employer taxes thereon) (the "Accrued PTO");

(c) other accrued expenses and liabilities related to ordinary course operating expenses of the Sellers as generally described on Schedule 2.3(c); and

(d) obligations and liabilities as of the Closing Date with respect to the Plans.

2.4 Excluded Liabilities. Notwithstanding anything set forth in Section 2.3 above with respect to Assumed Liabilities, Buyer is not obligated to pay or assume any of the following liabilities, whether fixed or contingent, recorded or unrecorded, known or unknown (collectively, the "Excluded Liabilities"):

(a) any obligation or liability accruing, arising out of, or relating to any Excluded Asset; and

(b) the amount of the Discharged Indebtedness that is discharged by (i) the Sellers with cash at Closing or (ii) Buyer with cash at Closing.

2.5 Purchase Consideration and Commitments.

(a) The consideration for the sale of the Purchased Assets by the Sellers to Buyer shall be approximately Sixty Million Dollars (\$60,000,000), with the final determination of the exact amount in such range being determined based on the methodology described on Schedule 2.5(a) and shall be comprised as set forth therein of the following (the "Purchase Consideration"): (i) the repayment, discharge, defeasance or release of the Sellers from any liability or responsibility in respect of the outstanding indebtedness of the Sellers listed on Schedule 2.5(a)(i) attached hereto (the "Discharged Indebtedness") and (ii) the assumption of the Assumed Liabilities, including Seller's liabilities as of the Closing Date with respect to the Plans (it being understood that the assumption of such liabilities with respect to the Plans shall be net of the value of the corresponding assets contained in the Plans from time to time as such assets relate to the Healthcare System's current and former employees); and

(b) Buyer has agreed to (i) maintain an acute care hospital within the Healthcare System's current areas of operation pursuant to Section 11.6(c) below and (ii) make expenditures after Closing in accordance with Sections 11.6(a) and 11.6(b) below.

ARTICLE 3

CLOSING

3.1 Closing. Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to Closing specified in Articles 8 and 9, the consummation of the sale and purchase of the Purchased Assets and the other transactions contemplated by and described in this Agreement (the “Closing”) shall take place at the offices of McDermott Will & Emery LLP, 28 State Street, Boston, Massachusetts, at 10:00 a.m. not later than the fifth (5th) business day after the conditions set forth in Articles 8 and 9 have been satisfied or waived or at such other date and/or at such other location as the Parties hereto may mutually designate in writing (the “Closing Date”).

3.2 Actions of Buyer at Closing. At the Closing and unless otherwise waived in writing by the Sellers, Buyer shall deliver to the Sellers, or otherwise cause to be delivered at Closing, the following:

(a) One or more Bills of Sale and Assignment duly executed by Buyer, transferring to Buyer valid title to all tangible assets which are a part of the Purchased Assets and valid title to all intangible assets which are a part of the Purchased Assets;

(b) One or more Assignments of Contracts and Assumption of Liabilities duly executed by Buyer, pursuant to which Buyer shall assume the future payment and performance of the Assumed Contracts and the Assumed Liabilities;

(c) One or more assignments of lease duly executed by Buyer, assigning to Buyer the Sellers’ interest in the Contracts relating to any Leased Real Property;

(d) One or more assignments of lease duly executed by Buyer, assigning to Buyer the Sellers’ interest as lessor under, or sublessor under, Contracts that lease space to third parties;

(e) To the extent all Discharged Indebtedness has not otherwise been satisfied by the Sellers’ payments described in Section 3.3(a), immediately available funds payable to applicable third parties in the form of wire transfer for the purpose of discharging in full any and all Discharged Indebtedness;

(f) Copies of resolutions duly adopted by the board of directors of Buyer, authorizing and approving Buyer’s performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force and effect as of Closing, by the appropriate officers of Buyer;

(g) A certificate of Buyer certifying that the conditions set forth in Sections 8.1 and 8.3 have been satisfied;

(h) Certificates of incumbency for the respective officers of Buyer executing this Agreement and any other document contemplated herein dated as of the Closing Date;

(i) Certificates of existence and good standing of Buyer from the state of Delaware, and qualification to do business in the Commonwealth of Massachusetts, dated the most recent practical date prior to Closing;

(j) Such other instruments and documents the Sellers reasonably deem necessary to effect the transactions contemplated hereby.

3.3 Actions of the Sellers at Closing. At the Closing and unless otherwise waived in writing by Buyer, the Sellers shall deliver to Buyer, or otherwise cause to be delivered at Closing, the following:

(a) Immediately available funds payable to applicable third parties in the form of wire transfer for the purpose of discharging in full any and all Discharged Indebtedness, but only to the extent of the Sellers' available cash which is among the Excluded Assets;

(b) Quitclaim Deeds, duly executed by the applicable Sellers in recordable form, conveying to Buyer fee simple title to the Owned Real Property;

(c) One or more assignments of lease, duly executed by the applicable Sellers assigning to Buyer such Sellers' interest in the Contracts relating to any Leased Real Property;

(d) One or more assignments of lease, duly executed by the applicable Sellers, assigning to Buyer such Sellers' interest as lessor under, or sublessor under, Contracts that lease space to third parties;

(e) One or more Bills of Sale and Assignment, duly executed by the applicable Sellers transferring to Buyer valid title to all tangible assets which are a part of the Purchased Assets and valid title to all intangible assets which are a part of the Purchased Assets;

(f) One or more Assignments of Contracts and Assumption of Liabilities duly executed by the applicable Sellers assigning such Sellers' interest in the Assumed Contracts and the Assumed Liabilities to Buyer;

(g) Copies of resolutions duly adopted by the Sellers and the Foundation authorizing and approving the Sellers' performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force and effect as of Closing by an appropriate officer of each of them;

(h) A certificate of the Sellers certifying that the conditions set forth in Section 9.1 and Section 9.4 have been satisfied;

(i) Certificates of incumbency for the respective officers of the Foundation and the Sellers executing this Agreement and any other document contemplated herein dated as of the Closing Date;

(j) Certificates of existence and good standing of the Sellers and the Foundation from the Commonwealth of Massachusetts dated the most recent practical date prior to Closing;

(k) certificates from the Massachusetts Department of Revenue for each Seller, showing that such Seller has no amount of tax due, in particular with respect to sales and use tax;

(l) A duly executed certificate of non-foreign status from each Seller satisfying the requirements of Treas. Reg. §1.1445-2(b) in a form reasonably acceptable to Buyer;

(m) Customary affidavits sufficient for Buyer's title insurer to delete any exceptions for parties in possession and mechanic's or materialmen's liens from Buyer's title insurance policy, and any other customary affidavit or documentation reasonably requested by Buyer's title insurer, to be in form and substance reasonably satisfactory to Buyer's title insurer;

(n) Any consents to assignment of Assumed Contracts that Sellers have obtained as of the Closing Date; provided, however, that the Parties acknowledge and agree that the delivery of such consents is not a condition to the Parties' obligations to close the transactions contemplated hereby;

(o) An estoppel certificate in a form reasonably satisfactory to Buyer with respect to each lease listed on Schedule 5.11;

(p) To the extent permitted by applicable law, Limited Powers of Attorney for use of DEA and Other Registration Numbers, and DEA Order Forms, in a form reasonably satisfactory to Buyer;

(q) UCC termination statements for any and all financing statements (which do not correspond to a Permitted Encumbrance or an agreement which is among the Assumed Liabilities) filed with respect to the Purchased Assets;

(r) Written evidence in a form reasonably satisfactory to Buyer with respect to the Discharged Indebtedness, including an opinion of counsel reasonably satisfactory to Buyer to the effect that the defeasance or redemption requirements of the applicable loan and trust agreements have been satisfied and that all bonds are no longer deemed outstanding thereunder and with respect to any capitalized leases, an opinion of counsel

reasonably satisfactory to Buyer to the effect that all obligations under such capitalized leases have been paid in full or otherwise discharged or released and the Sellers shall have acquired the related assets free and clear of any liens imposed by such capitalized leases prior to the Closing; and

(s) Such other instruments and documents as Buyer reasonably deems necessary to effect the transactions contemplated hereby.

3.4 Additional Acts. From time to time after Closing, the Sellers shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Buyer reasonably may request, to convey and transfer full right, title and interest to, vest in, and place Buyer in legal and actual possession of, any and all of the Purchased Assets. The Sellers shall also furnish Buyer with such information and documents in its possession or under their control, or which the Sellers can execute or cause to be executed, as will enable Buyer to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Purchased Assets.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF BUYER

As of the date hereof and as of the Closing Date (except to the extent any of the following speaks as of a specific date, such as the date hereof), Buyer represents and warrants to each of the Sellers the following:

4.1 Organization, Qualification and Capacity. Buyer is a corporation duly organized and validly existing in good standing under the Laws of the State of Delaware. The execution and delivery by Buyer of this Agreement and the documents described herein, the performance by Buyer of its obligations under this Agreement and the documents described herein and the consummation by Buyer of the transactions contemplated by this Agreement and the documents described herein have been duly and validly authorized and approved by all necessary actions on the part of Buyer, none of which actions have been modified or rescinded and all of which actions remain in full force and effect.

4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery and performance of this Agreement and the documents described herein by Buyer and the consummation by Buyer of the transactions contemplated by this Agreement and documents described herein, as applicable:

(a) are not in contravention or violation of the terms of the certificate of formation, operating agreement or similar governing document of Buyer;

(b) except as set forth on Schedule 4.2, do not require any material Approval or Permit of, or filing or registration with, or other action by, any Governmental Entity to be made or sought by Buyer or any of its Affiliates; and

(c) will not conflict in any material respect with, nor result in any material breach or contravention of, any material Contract to which Buyer is a party or by which Buyer is bound.

4.3 Binding Agreement. This Agreement and all documents to which Buyer or any of its Affiliates will become a Party hereunder are and will constitute the valid and legally binding obligations of Buyer and/or such Affiliates and are and will be enforceable against it in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.4 Sufficient Resources. At the Closing, subject to satisfaction of the conditions precedent to Buyer's obligations to close the transactions contemplated by this Agreement, (a) Buyer will possess sufficient funds to permit Buyer to deliver the Purchase Consideration and other commitments set forth herein that are required to be performed as of the Closing and (b) Buyer will have the capacity to obtain the funds necessary to perform its commitments set forth herein that are required to be performed after the Closing.

4.5 Litigation. There is no claim, action, suit, proceeding or investigation pending or, to the knowledge of Buyer, threatened in writing against or affecting Buyer that has or would reasonably be expected to have a material adverse effect on the ability of Buyer to perform this Agreement or any aspect of the transactions contemplated hereby.

4.6 Buyer Acknowledgements.

(a) Buyer has: (i) such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions contemplated by this Agreement, including the purchase of the Purchased Assets and the assumption of the Assumed Liabilities; (ii) the ability to bear the economic risk in connection with the consummation of the transactions contemplated by this Agreement, including a complete loss of future revenue, income or profits related to the Purchased Assets; and (iii) has been furnished with and has had access to such information as it has considered necessary to make a determination to execute, deliver and perform its obligations hereunder.

(b) The decision of Buyer to purchase the Purchased Assets and to assume the Assumed Liabilities has been (i) made voluntarily and of its own accord, based upon, (A) the extensive knowledge and experience of Buyer in financial and business matters relating to owning and operating general acute care hospitals, (B) consultations with advisors of Buyer, and (C) its investigation of the business, assets, risks and prospects of the Healthcare System and Purchased Assets and (ii) made without relying on any statement (whether oral or written), or any representation or warranty of, the Sellers or any Affiliate, officer or director of the Sellers, other than the representations and warranties expressly contained in this Agreement and the other Contracts executed at the Closing in connection herewith.

4.7 Statements True and Correct. This Agreement and the Schedules prepared by Buyer do not include, as of the date hereof and as of the Closing Date, any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in this Agreement with respect to Buyer not misleading.

4.8 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 4 (INCLUDING THE SCHEDULES), BUYER MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND BUYER HEREBY DISCLAIMS ANY SUCH REPRESENTATION OR WARRANTY WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF THE SELLERS

As of the date hereof and as of the Closing Date (except to the extent any of the following speaks as of a specific date, such as the date hereof), the Sellers hereby jointly and severally represent and warrant to Buyer the following:

5.1 Incorporation, Qualification and Capacity. Each Seller is a corporation duly organized and in existence under the Laws of the Commonwealth of Massachusetts. Each Seller is duly authorized, qualified to do business and in good standing under all applicable Laws of any Governmental Entity having jurisdiction over the business and operation of such Seller or the Purchased Assets, ownership of such Seller's properties and the conduct of its business in the place and manner now conducted. Except as set forth on Schedule 5.1, the execution and delivery by each Seller of this Agreement and the documents described herein, the performance by it of its obligations under this Agreement and the documents described herein and the consummation by such Seller of the transactions contemplated by this Agreement and the documents described herein have been duly and validly authorized and approved by all necessary corporate actions on the part of such Seller, none of which actions have been modified or rescinded and all of which actions remain in full force and effect.

5.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery and performance of this Agreement and the documents described herein, and performance of the transactions contemplated by this Agreement and documents described herein, as applicable, by each Seller:

(a) are not in contravention or violation of the terms of such Seller's governing documents;

(b) except as set forth on Schedule 5.2, do not require any Approval of or Permit from, notice to, or filing or registration with, or other action by, any Governmental Entity; and

(c) assuming the Approvals and Permits set forth on Schedule 5.2 are obtained, will not conflict in any material respect with, or result in any violation of or default under (with or without notice or lapse of time or both), or give rise to a right of termination, cancellation, acceleration or augmentation of any obligation or to loss of a material benefit under (i) any Assumed Contract or (ii) any Law applicable to any of the Purchased Assets; provided, that no representation or warranty is given with respect to the consents or approvals required to assign any of the Assumed Contracts.

5.3 Affiliates and Minority Interests. Except as set forth on Schedule 5.3, no Seller has any subsidiaries or owns or holds any interest in another Person.

5.4 No Outstanding Rights. Except as set forth on Schedule 5.4, there are no outstanding rights (including any rights of first refusal or offer or rights of reverter), options, or Contracts made on any Seller's behalf giving any Person any current or future right to require any Seller or, following the Closing Date, Buyer, to sell or transfer to such Person or to any third party any interest in any of the Purchased Assets.

5.5 Binding Agreement. This Agreement and all documents to which each Seller will become a Party hereunder are and will constitute the valid and legally binding obligations of each Seller and are and will be enforceable against such Seller in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

5.6 Financial Information.

(a) Schedule 5.6 hereto contains the following financial statements and financial information (collectively, the "Historical Financial Information");

(i) each Seller's audited financial statements for the fiscal years ended September 30, 2009 and September 30, 2010;

(ii) each Seller's unaudited balance sheets dated as of January 31, 2011; and

(ii) each Seller's unaudited statements of operations for the twelve-month period ended on January 31, 2011.

Except as disclosed on Schedule 5.6, the financial statements included in the Historical Financial Information have been prepared in accordance with GAAP in all material respects, applied on a consistent basis throughout the periods indicated, and no Seller has changed any accounting policy or methodology in determining the obsolescence of inventory throughout all periods presented. Except as set forth on Schedule 5.6, the Historical Financial Information presents fairly, in all material respects, each Seller's financial condition and the results of operations for the periods covered.

(b) Except as set forth on Schedule 5.6 or as set forth in a writing delivered by the Sellers to Buyer which specifically makes reference to Section 5.6, and except for liabilities incurred after the period for the Historical Financial Information in the ordinary course of business, as of the date hereof, there are no material liabilities of any nature relating to the Purchased Assets or the Assumed Liabilities that are required in accordance with GAAP to be disclosed on any Seller's financial statements.

5.7 Permits and Approvals.

(a) Set forth on Schedule 5.7 is a true and complete description of all material Permits and Approvals currently owned or held by or issued to any Seller in connection with the Purchased Assets or the operation of the Healthcare System, and such Permits and Approvals constitute all material Permits and Approvals necessary for the conduct of the business and operation of the Healthcare System as currently conducted and the use of the Purchased Assets by each Seller, all of which are in full force and effect.

(b) Each Seller is in compliance in all material respects with all Permits and Approvals. There is not now pending or, to any Seller's knowledge, threatened any action by or before any Governmental Entity to revoke, cancel, rescind, modify or refuse to renew any of the Permits and Approvals, and all of the material Permits and Approvals are and shall be in good standing now and as of the Closing.

(c) To the Sellers' knowledge, each employee of the Sellers who is required by law to have a professional license or certification to perform his or her job for the Sellers (e.g. a registered nurse) holds such license or certification in good standing. To the Sellers' knowledge, no proceeding is pending or threatened, seeking revocation, cancellation, suspension or limitation of any Permit or of any employee's professional license or certification. The acute care hospital which is part of the Healthcare System holds full accreditation from the Joint Commission with no contingencies or exceptions, and the Healthcare System is accredited by such other accrediting bodies as may be necessary and customary for every service offered by the Healthcare System.

5.8 Intellectual Property. Except for Intellectual Property constituting Excluded Assets:

(a) Each Seller owns, is licensed to use or otherwise possesses all necessary rights to use, all Intellectual Property which is material to its operation or assets as of the Closing Date.

(b) To each Seller's knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any of its Intellectual Property rights, any trade secret material to it, or any Intellectual Property right of any third party to the extent licensed by or through it, by any third party, including any of its employees or former employees, relating in any way to any of the Purchased Assets.

(c) Except as set forth on Schedule 5.8, no Seller has any patents, registered trademarks, registered service marks or registered copyrights related to any of the Purchased Assets. Except as set forth on Schedule 5.17, no Seller has been served with process in any suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, copyrights or violation of any trade secret or other proprietary right of any third party. To each Seller's knowledge, its business does not infringe any material Intellectual Property or other material proprietary right of any third party. No Seller has brought any action, suit or proceeding for infringement of Intellectual Property or breach of any license or Contract involving Intellectual Property related to any of the Purchased Assets against any third party.

5.9 Government Programs Participation/Accreditation.

(a) To the extent applicable to the conduct of its business or ownership of its assets, each Seller holds valid and current provider agreements together with one or more provider numbers evidencing its participation in the Government Programs. Except as set forth on Schedule 5.9, such Seller is, and at all times has been, in compliance with the conditions of participation for the Government Programs in all material respects and has received all Approvals or qualifications necessary for capital reimbursement on the Purchased Assets. Except as set forth on Schedule 5.9, there is not pending, or to any Seller's knowledge threatened, any proceeding or investigation under the Government Programs involving it or any of the Purchased Assets. Except as disclosed on Schedule 5.9 and except for claims, actions and appeals in the ordinary course of business, there are no material claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier, administrative contractor, Governmental Entity or the Administrator of the Centers for Medicare & Medicaid Services, with respect to any Government Program cost reports or claims filed on behalf of any Seller on or before the date of this Agreement, or any disallowances by any commission, board or agency in connection with any audit of such cost reports.

(b) Neither any Seller, nor to its knowledge, any stockholder, member, director, trustee, officer or employee of any such Seller, nor any agent acting on behalf of or for the benefit of any of the foregoing, has directly or indirectly: (i) offered or paid any remuneration, in cash or in kind, to, or made any financial arrangements with, any past, present or potential customers, past or present suppliers, patients, medical staff members, contractors or third party payors in order to obtain business or payments from such Persons except as permitted under applicable Law or as set forth in a writing delivered by the Sellers to Buyer which specifically makes reference to Section 5.9; or (ii) given or agreed to give, or is aware that there has been made or that there is any agreement to make, any gift or gratuitous payment of any kind, nature or description (whether in money, property or services) to any customer or potential customer, supplier or potential supplier, patient or potential patient, contractor, third party payor or any other Person other than in connection with promotional or entertainment activities in the ordinary course of business as permitted by applicable Law.

5.10 Compliance with Law. Except as set forth on Schedule 5.10 or as set forth in a writing delivered by the Sellers to Buyer which specifically makes reference to Section 5.10, each Seller is, and has been, in compliance in all material respects with, is not, and has not been, in violation in any material respect of, and has not received any notice alleging any material violation of all applicable statutes, rules, regulations and requirements of Governmental Entities having jurisdiction over any Seller, the Healthcare System or the Purchased Assets. No Seller is party to, or otherwise bound by, a corporate integrity agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services, or any similar agreement with any Governmental Entity. To the Sellers' knowledge, no event has occurred or circumstances exist that, with or without the passage of time or notice, constitutes or may result in a material violation by any Seller of any Law applicable to that Seller, the Healthcare System, or the Purchased Assets. Each Seller has timely filed all material forms, applications, reports, statements, data and other information required to be filed with Governmental Entities.

5.11 Scheduled Contracts. Schedule 5.11 attached hereto sets forth a true and complete list of all Contracts to which any Seller is a party related to the operation of the Purchased Assets or the Healthcare System and designates all Contracts which require consent to the assignment thereof to Buyer (this representation shall not be breached if a De Minimis Contract is not listed on Schedule 5.11), including, all provider network agreements, clinical affiliation agreements, medical director agreements, consulting agreements, management services agreements, professional services agreements, transfer agreements, recruitment agreements, employment agreements, real estate lease agreements, personal property lease agreements, supply agreements, software agreements, and all Contracts with managed care organizations, health maintenance organizations, insurers and similar third party payors. Contracts which are listed on Schedule 5.11 are referred to herein as the "Scheduled Contracts." True and correct copies of all Scheduled Contracts have previously been provided to Buyer. Each Scheduled Contract (i) is valid and existing (or, in the case of Contracts other than Physician Contracts, constitutes a month-to-month Contract under which goods or services are being provided after the expiration of its original term), and the applicable Seller has duly performed in all material respects its obligations under each Scheduled Contract to which it is a party to the extent such obligations to perform have accrued, and (ii) except for any breaches resulting from the failure to obtain the consent of the counterparty thereto to the assignment of same to Buyer, no material breach or default, alleged material breach or default, or event which would (with the passage of time, notice or both) constitute a material breach or default under any Scheduled Contract by any Seller or, to Seller's knowledge, and except as set forth on Schedule 5.11, any other party or obligor with respect thereto, has occurred.

5.12 Encumbrances; Real Property.

(a) There are no Encumbrances other than those listed on Schedule 5.12(a) on the Purchased Assets. The Sellers own the Owned Real Property, and all buildings and improvements located thereon, subject only to (i) any lien for Taxes not yet due and payable, (ii) liens that are disclosed on Schedule 5.12(a) securing the Assumed Liabilities, (iii) any lease obligations under any Scheduled Contract set forth on Schedule 5.11, and (iv) all other applicable Encumbrances listed on Schedule 5.12(a). Sellers agree that title to the Real Property shall not be altered between the date of this

Agreement and Closing in any material respect, except to the extent not restricted by Section 7.2.

(b) (i) All buildings and improvements located on the Real Property conform in all material respects with all applicable zoning regulations and building codes; (ii) all of the Real Property is serviced by all necessary utilities, including water, sewage, electricity and telephone, and no Seller is aware of any material inadequacies with respect to such utilities; (iii) to the Sellers' knowledge, none of the buildings or improvements on the Real Property is located in a flood hazard area; and (iv) all of the buildings and improvements located on the Real Property are accessible by public roads and, to the Sellers' knowledge, no fact or condition exists that would result in the termination of the current access from any building or improvement to any presently existing highways and roads adjoining or situated on the Real Property.

(c) The Real Property comprises all of the real property owned or leased by the Sellers that is associated with or employed in the operation of the Healthcare System.

5.13 Personal Property. The Sellers presently own and will hold on the Closing Date good and marketable title to, or, as applicable, a valid leasehold interest in, all tangible personal property assets and to all intangible assets included in the Purchased Assets, and valid rights under all Assumed Contracts or under leases or licenses of assets leased or licensed in connection with the operation of the Healthcare System.

5.14 Insurance. Schedule 5.14 sets forth a true and complete list of all insurance policies or self insurance funds maintained by it as of the date of this Agreement covering the ownership and operation of the Purchased Assets or the Healthcare System, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverages (including applicable deductibles). All of such policies are now and will be until the Closing in full force and effect on an occurrence basis (with the exception of professional liability insurance which is on a claims made basis) with no premium arrearages. Such policies of insurance shall not be assigned to Buyer as part of the Purchased Assets and Buyer acknowledges that, except as contemplated by Section 11.13, all of the coverage listed on Schedule 5.14 with respect to the Purchased Assets will cease on the Closing Date.

5.15 Employee Benefit Plans.

(a) Schedule 5.15 contains a true and complete list of all the following agreements, plans or other Contracts, covering any of the Sellers' employees, which are presently in effect: (i) employee benefit plans within the meaning of Section 3(3) of ERISA, and (ii) any other employee benefit plan, program, policy, or arrangement, whether written or unwritten, formal or informal, which the Sellers currently sponsor, or to which the Sellers have any outstanding present or future obligations to contribute or other liability, whether voluntary, contingent or otherwise (collectively, the "Plans").

(b) The Purchased Assets are not, and the Sellers do not reasonably expect the Purchased Assets to become, subject to an Encumbrance imposed under the Code or

under Title I or Title IV of ERISA, including liens arising by virtue of any Seller being a member of an ERISA Controlled Group.

(c) Neither the Sellers nor any member of the Sellers' ERISA Controlled Group has sponsored, contributed to or had an "obligation to contribute" (as defined in ERISA Section 4212) to a "multiemployer plan" (as defined in ERISA Section 4001(a)(3) or 3(37)(A)) on or after September 26, 1980, on behalf of any of its employees.

(d) Neither the Sellers nor any member of the Sellers' ERISA Controlled Group has at any time sponsored or contributed to a "single employer plan" (as defined in ERISA Section 4001(a)(14)) to which at least two or more of the "contributing sponsors" (as defined in ERISA Section 4001(a)(13)) are not members of the same ERISA Controlled Group.

(e) Except as set forth on Schedule 5.15, there are no material actions, audits or claims pending or, to the Sellers' knowledge, threatened against any Seller with respect to its maintenance of the Plans, other than routine claims for benefits.

(f) Each member of the Sellers' ERISA Controlled Group has complied in all material respects with the continuation coverage requirements of Section 1001 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, ERISA Sections 601 through 608 and Section 5000 of the Code.

(g) All of the Sellers' Plans that are intended to satisfy Section 401 of the Code from which assets may be involved in a "direct rollover" (as defined in Section 401(a)(31) of the Code) to an employee benefit plan maintained by Buyer have complied with the requirements of Section 401(a) of the Code.

5.16 Employees and Employee Relations.

(a) Except as set forth on Schedule 5.16(a), (i) there is no pending or, to the Sellers' knowledge, threatened employee strike, work stoppage or labor dispute, (ii) to the Sellers' knowledge, no union representation question exists with respect to any of its Employees, no demand has been made for recognition by a labor organization by or with respect to any Employees, no union organizing activities by or with respect to any Employees are taking place, and none of the Employees is represented by any labor union or organization, (iii) no collective bargaining agreement exists or is currently being negotiated by the Sellers, and (iv) there is no unfair labor practice claim against any Seller before the National Labor Relations Board, or any strike, dispute, slowdown, or stoppage pending or, to the Sellers' knowledge, threatened against or involving any Seller and none has occurred.

(b) Schedule 5.16(b) sets forth a complete list of all of the Sellers' employees who provide services for the benefit of the Healthcare System (the "Employees") as of the date of such Schedule and the following information for each Employee: current

salary or wage rate, Accrued PTO, unaccrued time off (if any), periods of service, date of hire, department and job title or other summary of the responsibilities as well as an indication as to whether such Employee is part-time, full-time or on a leave of absence and the type of leave.

5.17 Litigation or Proceedings.

(a) Schedule 5.17 contains a complete and accurate list and summary description of all litigation and proceedings which are currently pending with respect to the Sellers' business or the Purchased Assets. Except to the extent set forth on Schedule 5.17, there are no material claims, actions, suits, audits, compliance reports or information requests, proceedings or investigations pending, or to the Sellers' knowledge, threatened against or affecting any Seller, the Healthcare System or the Purchased Assets or the business conducted thereby.

(b) Other than as set forth on Schedule 5.17, no Seller is subject to any outstanding judgment, order or decree with respect to the Purchased Assets.

(c) There is no claim, action, suit, proceeding or investigation pending or, to the Sellers' knowledge, threatened against or affecting any Seller that has or would reasonably be expected to have a Material Adverse Effect, or a material adverse effect on any Seller's ability to perform this Agreement or any aspect of the transactions contemplated hereby.

5.18 Tax Matters. Except as set forth on Schedule 5.18:

(a) All federal, state, county and local income, franchise, margin, payroll, withholding, property, sales, use and all other taxes, penalties, interest and any other statutory additions ("Taxes") payable by the Sellers have been paid when due, and all tax returns required by applicable Law to be filed by Sellers have been timely filed. All such tax returns were true, complete and correct in all respects. No portion of any tax return that relates to the Purchased Assets or the operation of the Healthcare System has been the subject of any audit, action, suit, proceeding, claim or examination by any Governmental Entity, and no such audit, action, suit, proceeding, claim, deficiency or assessment is pending or, to the knowledge of the Sellers, threatened. None of the Sellers is currently the beneficiary of any extension of time within which to file any tax return, and no Seller has waived any statute of limitation with respect to any Tax or agreed to any extension of time with respect to a Tax assessment, or deficiency. No claim has ever been made by a Governmental Entity in a jurisdiction where a Seller does not file tax returns that it is or may be subject to taxation by that jurisdiction.

(b) There are no Tax liens on any of the Purchased Assets other than liens for Taxes not yet due and payable.

(c) Proper and accurate amounts have been withheld by Sellers in compliance with the payroll Tax and other withholding provisions of all applicable Laws, and all of such amounts have been timely remitted to the proper taxing authority.

5.19 Environmental Matters. Except as set forth on Schedule 5.19 or in any environmental report listed therein and provided by the Sellers to Buyer:

(a) The Sellers are, and have been, in material compliance with, and the Real Property and all improvements on the Real Property are, and at all times during Sellers' possession thereof have been, in material compliance with, all Environmental Laws. All past material non-compliance with Environmental Laws by the Sellers has been resolved without any pending, on-going or future material obligation or liability, and to the Sellers' knowledge, there is no requirement proposed for adoption or implementation under any Environmental Law that is reasonably likely to give rise to any material liability, or restrict in any material respect the operation or conduct of the Healthcare System or the Purchased Assets.

(b) Any underground or above-ground storage tanks in which Hazardous Materials are or were being treated, stored or disposed of on any of the Real Property are, and have been, operated and maintained in material compliance with all applicable Environmental Laws.

(c) During the period that the Sellers have owned or leased the Real Property, no Hazardous Materials have been released on or under such Real Property in violation of applicable Environmental Laws and no Environmental Condition has existed that has not been resolved. No Hazardous Materials are present on the Real Property in violation of applicable Environmental Laws.

(d) The Sellers are neither conducting, nor have previously undertaken or completed, any remedial action at any Real Property, either voluntarily or pursuant to the order of any Governmental Entity or the requirements of any Environmental Laws, and there is no requirement for the Sellers to conduct, undertake or complete any remedial action at any Real Property in respect of any Environmental Laws.

(e) There is no urea formaldehyde, methane, ozone-depleting substances, polychlorinated biphenyls, lead or radioactive substances in, under or on any Real Property in violation of any applicable Environmental Laws.

(f) There are no pending or, to the Sellers' knowledge, threatened actions, suits, orders, claims, legal proceedings or other proceedings based on any complaint, order, directive, citation, notice of responsibility, notice of potential responsibility, or information request from any Governmental Entity or any other Person with respect to the Real Property.

(g) No Encumbrance in favor of any Person relating to or in connection with any claim under any Environmental Law has been filed or has attached to the Real Property.

(h) The Sellers have provided to Buyer true, correct and complete copies of all environmental site assessment or audit reports or other similar studies or analyses relating to the Sellers, the Healthcare System or any Real Property.

The representations set forth in this Section 5.19 are the sole representations of the Sellers with respect to Environmental Conditions, Hazardous Materials and compliance with Environmental Law.

5.20 Medical Staff. The Sellers have delivered to Buyer a complete listing of all physicians and other clinicians with medical staff privileges at the Healthcare System and copies of the Healthcare System's current medical staff bylaws and regulations. To the Sellers' knowledge, no member of the Healthcare System's medical staff is excluded from participation in any federal or state health care program. Except as previously disclosed to Buyer in writing, to the Sellers' knowledge, no member of the Healthcare System's medical staff is subject to any sanction, monitoring program, investigation, or peer review proceeding, and each member of the medical staff of the Healthcare System has been appropriately credentialed as required by Law. No appeals of any medical staff disciplinary action or denial or reduction of privileges regarding services provided through the Healthcare System currently is pending, or to the Sellers' knowledge, threatened against any Seller or the Healthcare System.

5.21 Sufficiency of Purchased Assets. Except for the Excluded Assets, the Purchased Assets constitute, in the aggregate, all the assets, interests, rights and property used by the Sellers in connection with the operation of the Healthcare System as currently conducted.

5.22 HIPAA/Privacy. Except as provided in Schedule 5.22, the Sellers are, and have been, in compliance with the applicable requirements of the Health Insurance Portability and Accountability Act of 1996, as amended by the American Recovery and Reinvestment Act of 2009 ("HIPAA") and the implementing regulations thereunder governing the privacy and security of health-related medical information or personal information, and any "business associate" agreement entered into at the request of a HIPAA covered entity.

5.23 Absence of Certain Changes or Events. Except as set forth in Schedule 5.23, between February 28, 2011 and the date of this Agreement (it being understood that in no event shall the terms of this representation be applicable to time periods subsequent to the date of this Agreement), (a) no Seller has taken any action or failed to take any action that individually or in the aggregate has resulted in, or reasonably could be expected to result in, a Material Adverse Effect, (b) Sellers have operated the Healthcare System and the Purchased Assets in the usual and ordinary course consistent with past practice, and (c) no Seller has:

(i) suffered any damage, destruction, loss, casualty or other extraordinary loss to real property or tangible personal property of such Seller, whether or not covered by insurance, which individually or in the aggregate exceed \$100,000;

(ii) made any increase or promised or announced any increase in compensation payable or benefits to directors, trustees, executive officers or other employees of such Seller other than normal periodic increases in base compensation applied on a basis consistent with that of prior years or in accordance with existing Contracts;

(iii) permitted or allowed any of its assets or properties, whether tangible or intangible, to be mortgaged, pledged or made subject to any Encumbrance other than (A) Permitted Encumbrances, (B) Encumbrances to be released at Closing at Sellers' sole expense, and (C) Encumbrances on Excluded Assets;

(iv) written down or written up (or failed to write down or write up in accordance with GAAP) the value of any accounts receivable, except for write downs or write ups in the ordinary course of business consistent with past practice;

(v) written down or up the value of any Purchased Asset on any Seller's books or records, except for depreciation and amortization taken in the ordinary course of business and consistent with past practice;

(vi) made any change in any method of accounting or accounting practice, except for such changes required by reason of changes in GAAP;

(vii) suffered any material change in its business relationship with any of its material payors, customers or suppliers;

(viii) entered into or modified any employment contract (written or oral) or collective bargaining agreement;

(ix) made any loan to, or entered into any other transaction or Contract with, any of its employees or members of its medical staff other than pursuant to Contracts disclosed in Schedule 5.11;

(x) disposed of or permitted to lapse any material rights in respect of any Intellectual Property rights owned or licensed by it;

(xi) sold, transferred or otherwise disposed of any properties or assets (real, personal or mixed, tangible or intangible) that otherwise would be Purchased Assets other than dispositions of inventory, supplies or consumable items, and dispositions of other assets in excess of \$50,000 in the aggregate, except, in each case, in transactions in the ordinary course of business and consistent with past practice;

(xii) entered into any material transaction other than in the ordinary course of business, including, without limitation, the amendment, modification or termination of any material Contract of such Seller;

(xiii) made any change in its historical practices with respect to purchasing supplies;

(xiv) suffered any reduction in its licensed bed capacity or discontinued any clinical services;

(xv) committed to make any single capital expenditure in excess of \$50,000 for additions to property or equipment, or committed to make aggregate capital expenditures in excess of \$100,000 (on a consolidated basis) for additions to property or equipment, which expenditures, in either case, will not be paid prior to Closing; or

(xvi) entered into any Contract to do any of the foregoing.

5.24 Statements True and Correct. This Agreement and the Schedules prepared by the Sellers do not include, as of the date hereof and as of the Closing, any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in this Agreement with respect to the Sellers, the Healthcare System and the Purchased Assets not misleading.

5.25 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 5 (INCLUDING THE SCHEDULES), THE SELLERS MAKE NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND HEREBY DISCLAIM ANY SUCH REPRESENTATION OR WARRANTY WITH RESPECT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

ARTICLE 6

COVENANTS OF BUYER

6.1 Notification of Certain Matters. At any time from the date of this Agreement to the Closing Date, Buyer shall give prompt written notice to the Sellers of (i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of Buyer contained in this Agreement to be untrue in any material respect and (ii) any failure of Buyer to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances.

6.2 Approvals and Compliance with Laws. Between the date of this Agreement and the Closing Date, Buyer will (i) take all reasonable steps to obtain, as promptly as practicable, all Approvals and Permits of any Governmental Entities required of Buyer to consummate the transactions contemplated by this Agreement and the Sellers will reasonably cooperate with Buyer in those efforts, and (ii) provide such other information and communications to any Governmental Entity as may be reasonably requested in connection therewith. In connection with the foregoing, Buyer shall, and shall cause its representatives to,

coordinate with the Sellers concerning all appearances before, and submissions to, the Massachusetts Department of Public Health (“DPH”), unless otherwise required or requested by DPH.

6.3 Title Matters. As soon as practicable after the execution of this Agreement, (a) Buyer, at its expense, shall request a preliminary binder(s) or title commitments(s) sufficient for the issuance of A.L.T.A. Extended Coverage Owner’s Title Insurance Policy with respect to the Owned Real Property and an A.L.T.A. Extended Coverage Leasehold Title Policy with respect to any Leased Real Property which is the subject of a ground lease, in each case issued by First American Title Insurance Company, together with true, correct and legible copies of all instruments referred to therein as conditions or exceptions to title, and (b) the Sellers shall deliver to Buyer a survey for the Owned Real Property and any Leased Real Property which is the subject of a ground lease. The cost of the title policies and the surveys shall be borne solely by the Buyer.

6.4 Buyer’s Efforts to Close. Buyer shall use its reasonable commercial efforts to satisfy all of the conditions precedent set forth in Articles 8 and 9 to its or to the Sellers’ obligations under this Agreement to the extent that Buyer’s action or inaction can control or influence the satisfaction of such conditions.

ARTICLE 7

COVENANTS OF THE SELLERS

7.1 Access and Information.

(a) Between the date of this Agreement and the Closing Date, to the extent permitted by Law, the Sellers shall afford to the authorized representatives and agents of Buyer reasonable access to and the right to inspect the plants, properties, books and records of the Sellers relating to the Purchased Assets and the operation of the Healthcare System, and will furnish Buyer with such additional financial and operating data and other information as to the business and properties of the Sellers relating to the Purchased Assets and the Healthcare System as Buyer may from time to time reasonably request; provided, however, that Buyer may not conduct invasive environmental, health or safety investigations of the Real Property or of the Purchased Assets, including any sampling or testing of soils, surface water, groundwater, ambient air, or improvements at, on or under Real Property, or sampling or testing of the Purchased Assets, without the Sellers’ prior written consent, which shall not be unreasonably withheld. The right of access and inspection of Buyer shall be made in such a manner as not to interfere unreasonably with the operation of the Healthcare System or the Purchased Assets. In this regard, Buyer agrees that such inspection shall not take place, and no employees or other personnel of the Sellers shall be contacted by the representatives of Buyer, without first coordinating such contact or inspection with a representative of Navigant.

(b) Notwithstanding the terms of Section 7.1(a), Buyer understands that (i) the Sellers will establish reasonable procedures in order to protect documents and information deemed by them in good faith to be market sensitive or competitive in nature, (ii) litigation and other materials (including internal/external legal audit letters, PRO information, National Practitioner Data Bank reports, quality review information and other physician specific confidential information and information subject to confidentiality requirements imposed by Law) that are deemed privileged or confidential by the Sellers in their reasonable discretion will not be made available to Buyer, and (iii) the Sellers shall not be obligated to generate or produce information in any prescribed format not customarily produced by them.

(c) Buyer hereby agrees to indemnify and hold harmless the Sellers against any loss, liability, damages, costs or expenses including reasonable attorneys' fees, incurred by the Sellers as a result of the exercise of the right of inspection related to physical assets granted to Buyer under this Section 7.1; provided, however, Buyer shall not have any obligation to the Sellers under this Section 7.1(c) to the extent any loss, liability, damages, costs or expenses arise out of or result from any act or omission of the Sellers or any condition in existence immediately prior to Buyer's inspections. Buyer acknowledges and agrees that any such physical inspection conducted by Buyer or its agents and representatives shall be solely at the risk of Buyer.

7.2 Operations. From the date hereof until the Closing Date, except as set forth in Schedule 7.2, each of the Sellers with respect to the Purchased Assets and the Healthcare System (unless prior written consent of Buyer is received which will not be unreasonably withheld) shall:

(a) carry on its business related to the Purchased Assets and the Healthcare System in substantially the same manner as it has heretofore, and not dispose of, exhaust or encumber any of the Purchased Assets other than in the ordinary course of business consistent with Seller's historical practices;

(b) keep in full force and effect present insurance policies or other comparable insurance on the Purchased Assets;

(c) permit and allow reasonable access by Buyer (i) to the Sellers' personnel in connection with Buyer making offers of post-Closing employment and (ii) to physicians, medical staff and others having business relations with the Sellers in connection with establishing post-Closing relationships therewith; provided that Buyer shall first coordinate such access with a representative of Navigant;

(d) maintain all material Approvals and Permits relating to the Healthcare System and Purchased Assets in good standing;

(e) maintain the Purchased Assets in operating condition in a manner consistent with past practices, ordinary wear and tear excepted;

(f) perform all of its material obligations under agreements relating to or affecting the Healthcare System, its operations or the Purchased Assets;

(e) maintain the Inventory in such quality and quantities as is consistent with Sellers' historical practices; and

(f) use its reasonable efforts to maintain and preserve the Healthcare System's business organizations intact, retain its present employees and maintain its relationships with physicians, suppliers, customers and others having business relationships with the Healthcare System and take such actions as are necessary and use its reasonable efforts to cause the smooth, efficient and successful transition of business operations and employee relations to Buyer at Closing.

7.3 Negative Covenants. From the date of this Agreement until the Closing Date, the Sellers shall not, without the prior written consent of Buyer or except as may be required by applicable Law:

(a) amend or terminate any of the Assumed Contracts, enter into any new material contract or commitment, or incur or agree to incur any liability, except in the ordinary course of business (which ordinary course of business shall include renewals of any Assumed Contract), and in no event with respect to any such contract, commitment or liability as to which the total to be paid in the future under the contract, commitment or liability exceeds Twenty Five Thousand Dollars (\$25,000);

(b) increase compensation payable or to become payable or make any bonus payment to or otherwise enter into one or more bonus or severance agreements with any employee, except in the ordinary course of business in accordance with the Healthcare System's customary personnel policies;

(c) create, assume or permit to exist any new debt, mortgage, deed of trust, pledge or other lien or encumbrance upon any of the Purchased Assets;

(d) except for routine maintenance, incur costs in respect of construction in progress;

(e) make any change in any method of accounting or accounting practice, except for such changes required by reason of changes in GAAP;

(f) entered into or modify any collective bargaining agreement; or

(g) take any other action outside the ordinary course of business.

7.4 Notification of Certain Matters. At any time from the date of this Agreement to the Closing Date, each of the Sellers shall give prompt written notice to Buyer of (i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of any Seller contained in this Agreement to be untrue in any material respect and (ii) any failure of

any Seller to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances.

7.5 Additional Financial Information. Within fifteen (15) days following the end of each calendar month prior to the Closing Date, each of the Sellers will deliver to Buyer copies of the unaudited balance sheet and the related unaudited statement of operations for each month then ended together with corresponding year-to-date amounts, in such format as is presently used or maintained for each of the Sellers, and in a manner consistent with the terms of Section 5.6(a).

7.6 No-Shop Clause. Except as set forth in Schedule 7.6, from and after the date of the execution and delivery of this Agreement until the earlier of Closing or the termination of this Agreement, the Sellers shall not (and will not permit any Affiliate or any other Person acting for or on behalf of them or any of their Affiliates), without the prior written consent of Buyer (i) offer for lease or sale the Purchased Assets (or any material portion thereof) or any ownership interest in any entity owning any of the Purchased Assets; (ii) solicit offers to lease or buy all or any of the Purchased Assets or any ownership interest in any entity owning any of the Purchased Assets; (iii) hold discussions with any party (other than Buyer) looking toward such an offer or solicitation or looking toward a merger or consolidation of them; (iv) enter into any agreement with any party (other than Buyer) with respect to the lease, sale or other disposition of its assets (or any material portion thereof), other than Excluded Assets, or any ownership interest in them or with respect to any merger, consolidation or similar transaction involving them; or (v) furnish or cause to be furnished any information with respect to them or their assets to any Person that they or such Affiliate or any such Person acting for or on their behalf knows or has reason to believe is in the process of considering any such acquisition, merger, consolidation, combination or reorganization.

7.7 Sellers' Efforts to Close. The Sellers shall use their reasonable commercial efforts to satisfy all of the conditions precedent set forth in Articles 8 and 9 to their or to Buyer's obligations under this Agreement to the extent that any Seller's action or inaction can control or influence the satisfaction of such conditions.

7.8 Termination of Employees. Upon the Effective Time, the Employees shall cease to be employees of each Seller, and shall be removed from the payrolls of each applicable Seller. The Sellers shall provide to Buyer at Closing a schedule of the names and positions of all full-time and part-time employees of each Seller that have been terminated without cause during the ninety (90) days immediately preceding the Effective Time.

7.9 Estoppels and Contract Consents. The Sellers shall use reasonable commercial efforts to obtain, prior to the Closing Date, (a) estoppel letters, in a form reasonably acceptable to Buyer, under those leases set forth on Schedule 7.9, that are among the Assumed Contracts, and (b) consents from third parties under each Assumed Contract which, by the terms of such Assumed Contract, requires such consent to convey and assign such contracts to Buyer. To the extent any of the consents described in Section 7.9(b) above are not obtained as of the Closing, the Sellers and Buyer shall use their reasonable commercial efforts to mitigate any costs, losses or damages associated with the failure to obtain such consents prior to Closing, and to provide

the benefits of all applicable Contracts to Buyer after the Effective Time in a manner consistent with applicable Law.

7.10 Required Approvals and Permits. Between the date of this Agreement and the Closing Date, the Sellers will (i) take all reasonable steps to obtain, as promptly as practicable, all Approvals and Permits of any Governmental Entities required of the Sellers to consummate the transactions contemplated by this Agreement and Buyer will reasonably cooperate with the Sellers in those efforts, and (ii) provide such other information and communications to any Governmental Entity as may be reasonably requested in connection therewith. In connection with the foregoing, the Sellers shall, and shall cause their representatives to, coordinate with Buyer concerning all appearances before, and submissions to, the Massachusetts Attorney General, unless otherwise required or requested by the Massachusetts Attorney General.

7.11 Excluded Assets. On or prior to the Closing Date, the Sellers shall remove all Excluded Assets from the Healthcare System. Any Excluded Assets which remain present at the Healthcare System after the date which is sixty (60) days after the Closing Date shall be deemed to be abandoned by the Sellers and shall become the property of Buyer.

7.12 Plans. Insofar as it is in the Parties' interests for the Plans' investments to perform well, promptly after the date of this Agreement the Sellers will arrange for a meeting among the Plans' investment advisor(s), representatives of the Sellers and representatives of Buyer, in order to discuss current and potential investment vehicles for the Plans.

ARTICLE 8

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE SELLERS

The obligations of the Sellers hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by them:

8.1 Compliance With Covenants. Buyer shall have in all material respects performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by it at or prior to the Closing Date; provided that this condition will be deemed to be satisfied unless Buyer was given written notice of any failure to perform or comply and did not or could not cure such failure to perform or comply within fifteen (15) days after receipt of such notice.

8.2 Action/Proceeding. No court or any other Governmental Entity shall have issued an order restraining or prohibiting the transactions herein contemplated; and no Governmental Entity with jurisdiction over the Sellers or the Healthcare System shall have commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the transactions herein contemplated.

8.3 Representations and Warranties. The representations and warranties of Buyer contained in this Agreement that are qualified by any type of materiality standard shall be true in

all respects, and the representations and warranties of Buyer that are not so qualified shall be true in all material respects, when made and as of the Closing Date, as though such representations and warranties had been made as of the Closing Date (unless made only as of a specific date in which case they shall be true as of such date); provided, however, that this condition will be deemed to be satisfied unless any breaches of representations and warranties by Buyer have had a material adverse effect on the ability of Buyer to timely consummate the transactions described herein.

8.4 Approvals. Any Governmental Entity whose approval is necessary for the consummation of the transactions contemplated under this Agreement shall have approved the consummation of the transactions contemplated under this Agreement.

8.5 Discharged Indebtedness. On the Closing Date, all of the outstanding Discharged Indebtedness shall have either been repaid, discharged, released, or defeased and all other Financial Obligations shall have been assumed by Buyer.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by Buyer:

9.1 Compliance with Covenants. The Sellers shall have in all material respects performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by it at or prior to the Closing Date; provided that this condition will be deemed to be satisfied unless the Sellers were given written notice of such failure to perform or comply and did not or could not cure such failure to perform or comply within fifteen (15) days after receipt of such notice.

9.2 Approvals and Permits. The Parties shall have obtained all required Approvals and Permits from all Governmental Entities that are required to consummate the transactions herein contemplated, including, without limitation, all required approvals from the Attorney General of the Commonwealth of Massachusetts and from DPH (including, the Determination of Need Program), in each case without the imposition of any condition deemed by Buyer to be burdensome, as determined in Buyer's reasonable discretion (it being understood that in no event shall any condition imposed upon Steward Health Care System LLC by applicable Governmental Entities in connection with Steward Health Care System LLC's November 2010 acquisition of substantially all of the assets of Caritas Christi be considered burdensome for this purpose), and Buyer shall have obtained reasonable assurances that, following Closing, Buyer will receive any other Approvals and Permits necessary to the operation of the Healthcare System and the Purchased Assets after the Effective Time as determined by Buyer in its reasonable discretion.

9.3 Action/Proceeding. No court or any other Governmental Entity shall have issued an order restraining or prohibiting the transactions herein contemplated; and no Governmental Entity with jurisdiction over the Sellers or the Healthcare System shall have commenced or

threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the transactions herein contemplated.

9.4 Representations and Warranties. All representations and warranties of each of the Sellers contained in this Agreement that are qualified by any type of materiality standard shall be true in all respects, and all other representations and warranties of each Seller that are not so qualified shall be true in all material respects, when made and as of the Closing Date, as though such representations and warranties had been made as of the Closing Date (unless made only as of a specific date in which case they shall be true as of such date) ; provided, however, that this condition will be deemed to be satisfied unless any breaches of such representations or warranties individually or in the aggregate have had or are reasonably likely to have a Material Adverse Effect. In the event that there are breaches of representations and warranties made by a Seller hereunder that have not had or are not reasonably likely to have a Material Adverse Effect (i) Buyer shall not be excused from performance hereunder as a result of such breaches and shall be obligated to complete the transaction described herein in accordance with the remaining terms of this Agreement, and (ii) Buyer shall not assert the breach of such representations and warranties as a basis for not consummating the transaction contemplated by this Agreement. The sole remedy of Buyer for breaches of representations and warranties that constitute a Material Adverse Effect is set forth in Sections 11.2(a)(iii) and 11.2(b).

9.5 Signing and Delivery of Instruments. The Sellers shall have executed and delivered all documents, instruments and certificates required to be executed and delivered pursuant to the provisions of this Agreement.

9.6 Title Insurance Policy; A.L.T.A. Survey.

(a) Buyer shall have received from First American Title Insurance Company a title commitment (the "Title Commitment") for the issuance of an A.L.T.A. Extended Coverage Owner's Title Insurance Policy with respect to the Owned Real Property and an A.L.T.A. Extended Coverage Leasehold Title Policy with respect to any Leased Real Property which is the subject of a ground lease (collectively, the "Title Policy").

(b) Buyer shall have received ALTA surveys of the Owned Real Property and the Leased Real Property which is the subject of a ground lease, in a form acceptable to Buyer in its reasonable discretion, complying with the Minimum Standard Detail Requirements for ALTA/ASCM Land Title Surveys, and containing a surveyor's certificate in compliance with ALTA/ASCM land title survey requirements.

(c) Buyer shall have received the Title Policy which reflects fee simple title to the Owned Real Property vested in Buyer and a leasehold interest in the Leased Real Property which is the subject of a ground lease, subject only to: (i) current real estate taxes not yet due and payable and (ii) those Encumbrances set forth on Schedule 9.6(c) (collectively, the "Permitted Encumbrances"). The Title Policy shall have all standard and general exceptions deleted so as to afford full "extended form coverage." Any update to the ALTA surveys described in Section 9.6(b) shall be in a form reasonably acceptable to Buyer.

9.7 Environmental Survey. Buyer shall have obtained from an environmental consulting firm a written environmental survey of the Owned Real Property, in a form acceptable to Buyer in its reasonable discretion (it being understood that those environmental matters set forth on Schedule 9.7 shall be matters acceptable to Buyer for purposes of this Section 9.7).

9.8 Lien Terminations. The Sellers shall have delivered to Buyer fully effective UCC termination statements or other releases or reconveyances for all Encumbrances that are not among the Permitted Encumbrances.

9.9 No Material Adverse Effect. No event, occurrence or development shall have occurred since the date of this Agreement and be continuing that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

9.10 Discharged Indebtedness. On the Closing Date, all of the Discharged Indebtedness shall have been repaid, discharged, released or defeased.

ARTICLE 10

TRANSITIONAL ARRANGEMENTS

10.1 Employees; Benefits.

(a) As of the Closing Date, Buyer shall offer employment to all active Employees of the Sellers who are in good standing, in their existing job duties, titles and responsibilities and at their existing base wage and salary levels, and Buyer shall be responsible for, and hereby assumes, any and all liabilities and obligations resulting from the termination of any such Employee as set forth in this Section 10.1(a) (other than Employees who do not accept an offer of employment from Buyer). For purposes of clarification, Buyer shall be responsible for and assumes all liabilities and obligations to pay amounts due to any Employee under the terms of his or her employment agreement to the extent that such liabilities and obligations arise from a termination of their employment at any time by Buyer or otherwise in connection with or at the time of the consummation of the transaction contemplated by this Agreement.

(b) The term “Continuing Employee” as used in this Agreement means an Employee who accepts employment with Buyer or one of its Affiliates as of the Closing Date. All Continuing Employees will be employed by Buyer as of the Effective Time as employees-at-will (except to the extent that such Continuing Employees are parties to Contracts providing for other employment terms as disclosed on Schedule 5.11, in which case such Continuing Employees shall be employed in accordance with the terms of such Contracts). Buyer shall provide each Continuing Employee with employee benefits, including but not limited to retirement, welfare and paid time off, consistent with similarly-situated employees at other healthcare facilities owned and/or operated by Buyer and its Affiliates. With respect to such employee benefits, Buyer shall honor the Continuing Employees’ prior service credit under the Sellers’ current Plans for purposes

of eligibility and satisfying pre-existing condition limitations in the welfare benefit plans of Buyer. Buyer shall honor prior length of service for purposes of eligibility and vesting in the retirement benefit plans and other service-based plans of Buyer such as paid time off. Buyer shall carry over, and give credit for, the Accrued PTO for the Continuing Employees. Participation in Buyer's employee programs and plans described in this Section 10.1 shall begin as soon as administratively feasible after the Closing Date for participating Continuing Employees (and eligible dependents) and for all other Continuing Employees who, given their prior service to a Seller, have met the age and service requirements for participation under the respective programs and plans. Buyer shall employ a sufficient number of Continuing Employees for at least a 90-day period following the Closing Date so as not to constitute a "plant closing" or "mass layoff" (as those terms are used in the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 *et seq.*, the "WARN Act"), with respect to any applicable portion of the Healthcare System. Buyer shall be liable and responsible for any notification required under the WARN Act (or under any similar state or local Law) by virtue of its obligations set forth in the immediately preceding sentence and shall indemnify the Sellers and their Affiliates from any claims arising out of a breach of this covenant.

(c) As of the Closing Date, Buyer will assume all responsibility, funded or unfunded, of all Plans.

(d) Buyer shall provide continued health and medical coverage to the extent required under Section 4980B of the Code and Sections 601 through 608 of ERISA ("COBRA") to each current or former employee of the Sellers (and their spouses, dependents and beneficiaries) who is classified as an "M&A Qualified Beneficiary" (as defined in Treasury Regulation Section 54.4980B-9, Q&A 4) with respect to "qualifying events" (as such term is defined by COBRA) that occur on, before or after the Closing Date, each of which is listed on Schedule 10.1.

(e) Notwithstanding any provision herein to the contrary, no term of this Agreement shall be deemed to (i) create any Contract with any Continuing Employee, (ii) give any Continuing Employee the right to be retained in the employment of Buyer or any of its Affiliates, or (iii) interfere with the right of Buyer to terminate employment of any Continuing Employee at any time. Nothing in this Agreement shall diminish the right of Buyer to change or terminate its policies regarding salaries, benefits and other employment matters at any time or from time to time. The representations, warranties, covenants and agreements contained herein are for the sole benefit of the Parties hereto, and the Continuing Employees are not intended to be and shall not be construed as beneficiaries hereof. Pursuant to the "Standard Procedure" provided in Section 5 of Revenue Procedure 2004-53, (i) Buyer and the Sellers shall report on a predecessor/successor basis as set forth therein, (ii) the Sellers will not be relieved from filing a Form W-2 with respect to any Continuing Employees for the period of employment prior to Closing, and (iii) Buyer will undertake to file (or cause to be filed) a Form W-2 for each such Continuing Employee with respect to the portion of the year during which such Continuing Employees are employed by Buyer after the Closing Date,

excluding the portion of such year that such Continuing Employee was employed by a Seller.

(f) Buyer agrees that upon the Effective Time, Buyer shall recognize each union that is a party to an unexpired collective bargaining agreement with any Seller as the sole and exclusive representative of the bargaining units covered by such collective bargaining agreement. In addition, upon the Effective Time, Buyer agrees to be bound by the terms of each such collective bargaining agreement. The Parties agree that nothing herein shall operate to impose any such collective bargaining agreement on any employees not includable as a matter of law in the bargaining unit described in each such collective bargaining agreement.

(g) No Seller nor any Affiliate thereof, shall, from the date of this Agreement until the Effective Time, directly or indirectly, solicit any Employee for employment by any Seller or any Affiliate of any Seller after the Effective Time. Further, no Seller nor any Affiliate thereof, shall, for a period of twelve (12) months after the Effective Time, directly or indirectly, hire, employ, manage, consult with, seek services from or in any manner engage any Continuing Employees; provided, however, no provision of this Section 10.1(g) shall prohibit the Sellers and their Affiliates from (i) publishing general solicitations for employment in local newspapers or other media after the Effective Time or (ii) hiring any Continuing Employee whose employment has been terminated by Buyer.

ARTICLE 11

ADDITIONAL AGREEMENTS

11.1 Allocations. The Sellers and Buyer shall reasonably agree prior to the Closing Date upon an allocation methodology of the Purchased Assets among the various classes of assets in accordance with the provisions of Section 1060 of the Code and applicable Treasury Regulations, and attach such allocation methodology hereto as Schedule 11.1. The Parties agree that any Tax returns, or other Tax information they may file or cause to be filed with any Governmental Entity shall be prepared and filed consistent with such agreed upon allocation. In this regard, the Parties agree that, to the extent required, they will each properly prepare and timely file Form 8594 in accordance with Section 1060 of the Code.

11.2 Termination Prior to Closing.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement and the transactions contemplated by this Agreement may not be terminated, except prior to Closing as follows:

- (i) by mutual consent in writing of the Sellers and Buyer;
- (ii) by the Sellers if Buyer breaches in any material respect any of the representations, warranties, covenants or other agreements of Buyer contained in

this Agreement, which breach has not been waived in writing or cannot be or has not been cured within fifteen (15) days after the giving of written notice by the Sellers to Buyer specifying such breach;

(iii) by Buyer if the Sellers breach in any material respect any of the representations or warranties (as more specifically defined in Section 9.4 above), covenants or other agreements of the Sellers contained in this Agreement, which breach has not been waived in writing or cannot be or has not been cured within fifteen (15) days after the giving of written notice by Buyer to the Sellers specifying such breach;

(iv) by Buyer or the Sellers, if any court or any other Governmental Entity issues an order restraining or prohibiting such Party from consummating the sale and purchase of the Purchased Assets as provided herein and such order becomes final and non-appealable;

(v) by Buyer, upon the delivery of a termination notice to the Sellers pursuant to Section 11.7;

(vi) by the Sellers if satisfaction of any of the conditions in Article 8 is or becomes impossible and the Sellers have not waived such condition in writing; provided that in each case the failure to satisfy the applicable condition or conditions has occurred by reason other than (A) through the failure of any Seller to comply with its obligations under this Agreement or (B) Buyer's failure to provide its closing deliveries on the Closing Date as a result of any Seller not being ready, willing and able to close the transaction on the Closing Date;

(vii) by Buyer if satisfaction of any of the conditions in Article 9 is or becomes impossible and Buyer has not waived such condition in writing; provided that in each case the failure to satisfy the applicable condition or conditions has occurred by reason other than (A) through the failure of Buyer to comply with its obligations under this Agreement or (B) Sellers' failure to provide its closing deliveries on the Closing Date as a result of Buyer not being ready, willing and able to close the transaction on the Closing Date;

(viii) by either Buyer or the Sellers if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply in all material respects with its obligations under this Agreement) on or before December 31, 2011 or some other date as mutually agreed in writing by the Parties;

(ix) automatically upon payment to the Sellers of the Termination Fee, if the payment thereof is elected by the Sellers in accordance with Section 12.4 below; or

(x) by Buyer, pursuant to Section 1.3(d).

(b) In the event that this Agreement is terminated pursuant to Section 11.2(a), all further obligations of the Parties under this Agreement shall terminate without further liability of any Party to another; provided that in the event this Agreement is terminated pursuant to Section 11.2(a)(ii) or Section 11.2(a)(iii) nothing in this Section 11.2 shall relieve the Sellers or Buyer of any liability for an intentional breach of any representation, warranty, covenant or other agreement herein on or prior to the date of termination, which liability shall be subject to the limitations set forth in Article 12 of this Agreement and the Parties shall be entitled to seek the remedy of specific performance as set forth in Section 12.3.

11.3 Buyer Preservation and the Sellers' Access to Records After the Closing.

(a) After the Closing, Buyer shall keep and preserve in their original form all medical and other records of the Sellers existing as of the Closing and transferred to Buyer hereunder for such period as required by applicable Law. For purposes of this Agreement, the term "records" includes all documents, electronic data and other compilations of information in any form. Buyer acknowledges that as a result of entering into this Agreement and operating the Healthcare System it and its Affiliates will gain access to patient and other information which is subject to rules and regulations regarding confidentiality. Buyer shall abide by any such rules and regulations relating to the confidential information that it acquires. Buyer shall maintain the patient records after Closing in accordance with applicable Law (including, if applicable, Section 1861(v)(i)(I) of the Social Security Act (42 U.S.C. § 1395(V)(1)(i)), and requirements of relevant insurance carriers, all in a manner consistent with the maintenance of patient records generated after Closing. Upon reasonable notice, during normal business hours and upon the receipt by Buyer of appropriate consents and authorizations, Buyer shall afford to representatives of the Sellers for reasonable business purposes, including its counsel and accountants, full and complete access to, and the right to make copies of (at the Sellers' expense), the records transferred to Buyer at the Closing (including access to patient records in respect of patients treated by Affiliates of the Sellers) including providing a reasonable location to conduct its review of such records. In addition, the Sellers shall be entitled to remove any such patient records, but only for purposes of pending litigation involving a patient to whom such records refer, as certified in writing prior to removal by counsel retained by the Sellers in connection with such litigation. Any patient records so removed shall be promptly returned to Buyer following its use by the Sellers.

(b) Buyer shall reasonably cooperate with the Sellers and its insurance carriers in connection with the defense of claims made by third parties against them in respect of alleged events occurring prior to Closing. Such cooperation shall include, without limitation, making all of Buyer's employees reasonably available for interviews, depositions, hearings and trial; and making Buyer's employees reasonably available to assist in the securing and giving of evidence and in obtaining the presence and cooperation of witnesses, all of which shall be done without payment of any fees to Buyer or its employees or the payment of any of Buyer's expenses. In addition, the Sellers shall be entitled to remove any records, but only for purposes of pending litigation

involving the Person to whom such records refer, as certified in writing prior to removal by counsel retained by the Sellers in connection with such litigation. Any records so removed shall be promptly returned to Buyer following their use by the Sellers.

11.4 Reproduction of Documents. This Agreement and all documents relating hereto, including (i) consents, waivers and modifications which may hereafter be executed, (ii) the documents delivered at the Closing, and (iii) financial statements, certificates and other information previously or hereafter furnished to the Sellers or Buyer, may, subject to the provisions of the Confidentiality Agreement, be reproduced by the Sellers and by Buyer by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and the Sellers and Buyer may, except as prohibited by applicable Law, destroy any original documents so reproduced. The Sellers and Buyer agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by the Sellers or Buyer in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

11.5 Tax Matters. Following the Closing, the Parties shall cooperate fully with each other and shall provide to the other, as reasonably requested by and at the expense of the requesting Party, all information, records or documents relating to Tax liabilities of the requesting Party for all periods ending on or prior to the Closing and shall preserve all such information, records and documents (to the extent a part of the assets exchanged and delivered at Closing) at least until the expiration of any applicable statute of limitations or extensions thereof; provided, that neither Party shall be required to provide any of its income Tax returns (or supporting materials including working papers and Tax provisions) or those of any Affiliate. Each Party shall retain all Tax returns and supporting materials received pursuant to Section 2.1 at least until the expiration of any applicable statute of limitations or extensions with respect thereto and shall not destroy such items without first offering such items back to the other Parties prior to destruction.

11.6 Post-Closing Capital Expenditures.

(a) From the Closing Date until the fifth anniversary of the Closing Date, Buyer shall expend or commit to expend (i) no less than Eighty Five Million Dollars (\$85,000,000) in the aggregate for capital expenditures and investments to improve, furnish, equip and expand the services of the acute care hospital described in Section 11.6(c) below, including no less than Twenty-Five Million Five Hundred Thousand Dollars (\$25,500,000) to be expended or committed to be expended in the aggregate within the first twelve (12) months post-Closing (which amount shall include Ten Million Dollars (\$10,000,000) in investment in information technology) and no less than Fifty-Nine Million Five Hundred Thousand Dollars (\$59,500,000) to be expended or committed to be expended in the forty-eight months thereafter for investment in information technology and other capital improvements and investments, including in each case amounts that would qualify as capital expenditures under GAAP.

(b) From the fifth anniversary of the Closing Date until the tenth anniversary of the Closing Date, Buyer shall expend or commit to expend an average of 100% to 125% of the annual depreciation expense of the acute care hospital described in Section 11.6(c) below for capital expenditures and investments to improve, furnish, equip and expand services; provided that Buyer's obligations under this Section 11.6(b) shall not exceed Thirty-Five Million Dollars (\$35,000,000) in the aggregate.

(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, maintaining community benefits and charity care at the current levels, using the name "Morton Hospital and Medical Center" or some reasonably similar name employing the words "Morton Hospital" (hereinafter the "Post-Closing System"); provided, however, after the fifth anniversary of the Closing through the tenth anniversary of the Closing, Buyer may close or limit the general purpose of the Post-Closing System if the Post-Closing System meets the criteria set forth on Schedule 11.6(c).

(d) Buyer's investments in the Post-Closing System as described in Section 11.6(a) will focus resources on building and developing (it being understood that Buyer will work with the Post-Closing System's local governing board and management concerning the planning and development thereof) such critical service areas as: women's health, expanding obstetrics, replacing the mobile MRI and enhancing imaging, and creating a cancer care center (including the deployment on an on-campus linear accelerator), as well as recruiting specialists and providing a broader range of medical services locally, performed in the greater Taunton community with particular emphasis on neurosurgeons/spine surgeons and vascular medicine physicians.

(e) In connection with Buyer's obligations under Section 11.6(a), (i) Buyer shall ensure, subject to the availability and capabilities of third party vendors, the full deployment of Meditech 6.0 and Advance Clinical Systems and computerized physician order entry (CPOE) throughout the Post-Closing System over the first twelve (12) to eighteen (18) months following the Closing and (ii) Buyer will wire community-based physicians who become a part of Steward Network Services, Inc. with electronic medical records in a manner compliant with applicable Law. Physicians providing services within the Post-Closing System who choose to contract through Steward Network Services, Inc. will have access to Buyer's managed care contracts and medical management/care management ACO infrastructure, and medical malpractice insurance through TRACO (Steward's offshore captive insurance company), as well as Steward Quality and Safety group's medical management systems. Senior physicians providing services within the Post-Closing System will have an opportunity to take leadership positions on Steward system-wide committees for quality and safety. The Post-Closing System's ICU beds will be rolled into Steward's electronic ICU monitoring system (eICU), providing 24/7 remote intensivist coverage.

11.7 Casualty; Eminent Domain. If, prior to the Effective Time, any part of the Purchased Assets is destroyed or damaged by fire or the elements or by any other cause, there is

a material interruption of services at the Healthcare System, or any part of the Purchased Assets is made subject to an eminent domain proceeding, the Sellers shall within ten (10) calendar days after such occurrence provide written notice thereof to Buyer. In the event of a casualty or similar event, such notice shall include copies of all insurance policies then in force relating to the Purchased Assets covering such casualty or similar event and the Sellers' initial good faith estimate of the cost to repair such damage or destruction. If the reasonably expected amount to completely repair any such damage or destruction (or to replace any Purchased Assets subject to an eminent domain proceeding) is greater than Ten Million Dollars (\$10,000,000), or if there is a material interruption of services at the Healthcare System, Buyer may elect to terminate this Agreement in its entirety by written notice to the Sellers without penalty, provided, that any such written notice, to the extent provided as a result of damage or destruction exceeding Ten Million Dollars (\$10,000,000) must be provided no later than the date which is ten (10) calendar days after Buyer receives a written estimate from a third party designated by Buyer in its reasonable discretion for the repair of such damage or destruction. Otherwise, the transaction shall be consummated in accordance with its terms and at the Effective Time, and the Sellers shall transfer to Buyer the proceeds (or the right to receive the proceeds) (a) of any applicable casualty insurance, together with any deductible or self-insured portion applicable thereto and (b) from the eminent domain proceeding.

11.8 Local Governing Board. As soon as reasonably practicable after the Closing Date (but no later than the time period required by applicable Law), Buyer shall form a local governing board at the Post-Closing System comprised of medical staff members, community leaders and appropriate executive officers. The local governing board shall be subject to the authority of Buyer's board of directors and the terms of Buyer's certificate of incorporation and bylaws and, subject to such authority, in accordance with 105 CMR 100.602(A) as applicable, shall be responsible for the following decisions with respect to the Post-Closing System: (a) approval of borrowings in excess of \$500,000; (b) additions or conversions which constitute substantial changes in service; (c) approval of capital and operating budgets, including prioritization of capital investments; (d) approval of the filing of an application for Determination of Need; (e) development of strategic plans for the community served by the Post-Closing System; (f) medical staff credentialing; and (g) community benefit planning. The Sellers shall, after having consulted with Buyer, nominate the individuals to be appointed to the initial local governing board as of the Closing and Buyer's board of directors shall appoint such individuals to the local governing board as of the Closing. Subsequent to the Closing, the members of the local governing board shall have the sole responsibility for nominating individuals for appointment to the local governing board from time to time, with the Buyer's board of directors appointing such individuals to the local governing board who are approved by the Chairman of Steward Health Care System LLC in his sole discretion.

11.9 Cost Report Matters.

(a) The Sellers shall prepare and timely file all cost reports relating to the periods ending on or immediately prior to the Closing Date or required as a result of the consummation of the transactions described in this Agreement, including those relating to Medicare, Medicaid and other third party payors that settle on a Cost Report basis (the "Seller Cost Reports"). The Sellers shall be entitled to reimbursement from Buyer for the Sellers'

reasonable out-of-pocket expenses incurred in connection with preparation of the Seller Cost Reports. Buyer shall forward to the Sellers any and all correspondence relating to the Seller Cost Reports within five (5) business days after receipt by Buyer. The Sellers shall retain all rights to appeal any Medicare determinations relating to the Seller Cost Reports; provided, however, to the extent Buyer requests that the Sellers undertake any such appeal, the Sellers shall undertake such appeal as directed by Buyer, at Buyer's sole cost and expense.

(b) Upon reasonable notice and during normal business office hours, Buyer will reasonably cooperate with the Sellers in regard to the preparation, filing, handling, and appeals of the Seller Cost Reports. Upon reasonable notice and during normal business office hours, Buyer will cooperate with the Sellers in connection with any Seller Cost Report disputes and/or other claim adjudication matters relative to governmental program reimbursement. Such cooperation shall include the providing of statistics and obtaining files at the locations within the Healthcare System and the coordination with the Sellers pursuant to adequate notice of Medicare and Medicaid exit conferences or meetings.

11.10 Medical Staff Transition. To ensure continuity of care in the community, Buyer agrees that each of the Healthcare System's medical staff members in good standing as of the Effective Time shall maintain medical staff privileges at the Post-Closing System as of the Effective Time. After the Effective Time, the medical staff will be subject to the Post-Closing System's Medical Staff Bylaws then in effect, as amended from time to time in accordance with the terms thereof.

11.11 Wind-Down of Operations. After the Closing, Buyer shall manage, on behalf of the Sellers, the winding down of the Sellers' operations as more particularly set forth on Schedule 11.11, the expenses of which wind-down process would be borne by Buyer.

11.12 Change of Name. On or before the Closing Date, the Sellers shall (a) amend their charters and take all other actions necessary to change their names to the extent necessary to remove any reference to the names "Morton," "Morton Hospital," "Morton Hospital and Medical Center" or any combination, derivative or variation thereof to avoid confusion, and (b) take all actions requested by Buyer to enable Buyer to use any names acquired by Buyer at the Closing. From and after the Closing Date, the Sellers shall make no further use of (i) the name "Morton Hospital and Medical Center" or any derivatives thereof, or (ii) any other names that are sufficiently similar to "Morton Hospital and Medical Center" so as to potentially cause confusion. Notwithstanding any provision to the contrary contained in this Section 11.12, the terms of this Section 11.12 shall not be applicable to the Morton Health Foundation, Inc., which shall not be required to change its corporate name.

11.13 Supplemental Insurance. The Sellers will obtain a supplemental insurance policy providing for extended reporting periods for claims made on or after the Closing Date in respect of events occurring prior to the Effective Time to insure against professional liabilities and director and officer liabilities of the Sellers relating to all periods prior to the Effective Time and to have the effect of converting its current professional liability insurance and director and officer insurance into occurrence coverage. Such "tail end" insurance shall have the term and limits of coverage as reflected in Schedule 11.13. The Sellers shall deliver to Buyer evidence of

such supplemental reporting endorsement at Closing, which shall be in a form reasonably acceptable to Buyer. The cost of such supplemental insurance policy (a) for professional liabilities shall be borne by Buyer and (b) for director and officer liabilities shall be funded from Sellers' available cash which is among the Excluded Assets.

11.14 Public Announcements and Confidentiality. The Parties shall agree on the terms of the press release that announces the transactions contemplated by this Agreement and thereafter agree to obtain the other Parties' prior written consent, before issuing any press release or, making any public announcement with respect to the transactions contemplated by this Agreement, except for any press releases or public statements the making of which are required by Applicable Law, in which case the other Parties will be notified promptly thereafter. The Parties acknowledge that they remain bound by the terms of that certain Confidentiality Agreement dated as of December 30, 2010 (the "Confidentiality Agreement"), and that the terms of such agreement shall be extended until the Closing or the termination of this Agreement by its terms; provided, that, regardless of whether the Closing occurs, the Parties acknowledge that any and all other information provided to them by the other Parties or any of their Affiliates or representatives concerning any of the Parties or any of their Affiliates shall remain subject to the terms and conditions contained in such Confidentiality Agreement.

11.15 Misdirected Payments. To the extent there are any misdirected funds forwarded to any Seller (or any of its Affiliates) by any third parties after the Effective Time, which misdirected funds are paid in respect of the performance of services by or on behalf of the Healthcare System at any time before or after the Effective Time, the Sellers shall remit such misdirected funds to Buyer within ten (10) business days after receipt thereof, to the account(s) designated by Buyer. Furthermore, the Sellers and Buyer understand and agree that all payments by third party payors in respect of licensed provider numbers for goods and services provided after the Effective Time ("Post-Closing Payments") shall be solely for the account of Buyer. Each Seller (on its behalf and on behalf of its Affiliates) hereby irrevocably assigns to Buyer, subject to applicable Law, all right, title and interest it may have in respect of such Post-Closing Payments and hereby agrees to remit to Buyer such Post-Closing Payments within ten (10) business days after its receipt thereof.

ARTICLE 12

REMEDIES; LIMITATION ON DAMAGES

12.1 Survival Period. The Parties intend to shorten the statute of limitations and agree that no claims or causes of action may be brought against Buyer or the Sellers based upon, directly or indirectly, any of the representations or warranties contained in this Agreement at any time after the Closing. Except as otherwise provided herein, each covenant and agreement of the Parties contained in this Agreement to be performed after the Closing shall survive the Closing in accordance with its respective terms.

12.2 Limitation on Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY ELSEWHERE IN THIS AGREEMENT, NO PARTY TO THIS AGREEMENT (OR ANY OF ITS AFFILIATES) SHALL, IN ANY EVENT, BE LIABLE TO THE OTHER

PARTIES (OR ANY OF THEIR AFFILIATES) FOR SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, COSTS, EXPENSES, CHARGES OR CLAIMS.

12.3 Specific Performance. Notwithstanding the right of each Party to terminate this Agreement pursuant to Section 11.2(a), in the event of a breach by either Party of its obligation to consummate the transactions contemplated by this Agreement or a breach by either Party of a covenant prior to or following the Closing, the non-breaching Party shall be entitled to specific performance to force the breaching Party to consummate the transactions contemplated by this Agreement or to enforce the covenant, such relief to be without the necessity of posting a bond, cash or otherwise (unless required by applicable Law).

12.4 Termination Fee. Notwithstanding any provision to the contrary contained in this Agreement, if Buyer refuses to consummate the transactions contemplated hereby despite the satisfaction of each of the conditions set forth herein for Closing, and so long as the Sellers are not in breach of any of their representations, warranties, covenants or agreements contained herein to an extent that would permit Buyer not to close as provided for herein, then in lieu of their rights of specific performance pursuant to Section 12.3 above, the Sellers shall have the right to demand from Buyer, and upon such notice Buyer shall pay to the Sellers promptly, an aggregate amount of Two Million Dollars (\$2,000,000.00) as liquidated damages (the "Termination Fee"). In the event Buyer is obligated to pay to the Sellers the Termination Fee, in no event shall the Sellers and their Affiliates be entitled to receive any damages in excess of \$2,000,000 in the aggregate for all losses and damages arising from or in connection with breaches of this Agreement by Buyer, or otherwise relating to or arising out of this Agreement or the transactions contemplated by this Agreement.

ARTICLE 13

GENERAL

13.1 Consents, Approvals and Discretion. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a Party or a Party must or may exercise discretion, the Parties agree that such consent or approval shall not be unreasonably withheld, conditioned or delayed and such discretion shall be reasonably exercised.

13.2 Legal Fees and Costs. In the event any Party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial means, the prevailing Party will be entitled to recover reasonable legal expenses, including reasonable attorney's fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

13.3 Choice of Law; Venue; Waiver of Jury Trial.

(a) The Parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the Commonwealth of Massachusetts without giving effect to any choice or conflict of law provision or rule thereof. The Parties hereby waive

their right to assert in any proceeding involving this Agreement that the law of any jurisdiction other than the Commonwealth of Massachusetts shall apply to such dispute; and the Parties hereby covenant that they shall assert no such claim in any dispute arising under this Agreement. Any proceeding which arises out of or relates in any way to the subject matter of this Agreement shall be brought solely in the Superior Court of the Commonwealth of Massachusetts, Suffolk County or the United States District Court for the Commonwealth of Massachusetts, and each Party consents to the jurisdiction and venue of each such court. The Parties hereby waive their right to challenge any proceeding involving or relating to this Agreement on the basis of lack of jurisdiction over the Person or forum non conveniens.

(b) EACH PARTY HERETO HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY CONCERNED WITH THIS AGREEMENT OR ANY OF THE AGREEMENTS, INSTRUMENTS OR DOCUMENTS CONTEMPLATED HEREBY. NO PARTY HERETO, NOR ANY ASSIGNEE OR SUCCESSOR OF A PARTY HERETO SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS AGREEMENT OR ANY OF THE AGREEMENTS, INSTRUMENTS OR DOCUMENTS CONTEMPLATED HEREBY. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION 13.3(b) HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THE PROVISIONS OF THIS SECTION 13.3(b) SHALL BE SUBJECT TO NO EXCEPTIONS.

13.4 Benefit; Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors and assigns. No Party may assign this Agreement without the prior written consent of the other Parties; provided, however, that Buyer may assign its interest (or a portion thereof) in this Agreement to an Affiliate, but, in such event, the assignor shall be required to remain obligated hereunder in the same manner as if such assignment had not been effected.

13.5 Effective Time; Accounting Date. The transactions contemplated hereby shall be effective as of 12:01 a.m. (the "Effective Time") on the calendar day immediately following the Closing Date, unless otherwise agreed in writing by Buyer and the Sellers. The Parties will use commercially reasonable efforts to cause the Closing to occur on the last day of a calendar month.

13.6 No Brokerage. Buyer and the Sellers represent to each other that no broker has in any way been contracted in connection with the transactions contemplated hereby other than the Sellers or their Affiliate's engagement of Navigant. Each of Buyer and the Sellers agree to indemnify the other Parties from and against all loss, cost, damage or expense arising out of

claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying Party.

13.7 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated and except as otherwise provided herein, the Parties agree as follows:

(i) Except as provided otherwise elsewhere herein, Buyer will pay the fees, expenses and disbursements of Buyer and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto;

(ii) Except as provided otherwise elsewhere herein, the Sellers shall pay the fees, expenses and disbursements of the Sellers and their agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto; and

(iii) Buyer shall pay all costs and expenses associated with obtaining title policies, surveys and environmental site assessments, and recording fees and associated Taxes attendant to recording any deeds conveying title to the Owned Real Property or the leasehold interest in any Leased Real Property which is the subject of a ground lease.

13.8 Waiver of Breach. The waiver by any Party of breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or other provision hereof.

13.9 Notice. Any notice, demand or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by facsimile transmission or overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

If to Buyer: Steward Medical Holdings Subsidiary Three, Inc.
500 Boylston Street, 5th Floor
Boston, Massachusetts 02116
Attention: Mark Rich
Facsimile: (617) 419-4800

with copies to: Steward Medical Holdings Subsidiary Three, Inc.
500 Boylston Street, 5th Floor
Boston, Massachusetts 02116
Attention: Joseph Maher, Esq.
Facsimile: (617) 419-4800

and McDermott Will & Emery LLP
28 State Street, Suite
Boston, Massachusetts 02109
Attention: Christopher M. Jedrey, Esq.
Facsimile: (617) 535-3800

If to Sellers Morton Hospital and Medical Center, Inc.
Morton Property, Inc.
Morton Physician Associates, Inc.
c/o Morton Hospital Foundation, Inc.
88 Washington Street
Taunton, Massachusetts 02780
Attention: Maureen A. Bryant
Facsimile: (508) 821-9836

with a copy to: Ankner & Levy, P.C.
116 Huntington Avenue
Boston, MA 02116
Attention: Peter Braun, Esq.
Facsimile: (617) 247-3102

or to such other address, and to the attention of such other Person or officer as any Party may designate.

13.10 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, and if the rights of Buyer and the Sellers under this Agreement will not be materially or adversely affected thereby, (i) such provision will be fully severable; (ii) this Agreement will be construed and enforced as if the illegal, invalid or unenforceable provision had never compromised a part hereof; (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance here from; and (iv) in lieu of the illegal, invalid or unenforceable provision, there will be added automatically as a part of this agreement a legal, valid and enforceable provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible.

13.11 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, any Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

13.12 Divisions and Headings of this Agreement. The divisions of this Agreement into articles, sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

13.13 No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of the Sellers and Buyer and their respective permitted successors or assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other Person.

13.14 Tax and Medicare Advice and Reliance. Except as expressly provided in this Agreement, none of the Parties (nor any of the Parties' respective counsel, accountants or other representatives) has made or is making any representations to any other Party (or to any other Party's counsel, accountants or other representatives) concerning the consequences of the transactions contemplated hereby under applicable Tax-related Laws or under the Laws governing the Medicare program. Each Party has relied solely upon the Tax and Medicare advice of its own employees or of representatives engaged by such Party and not on any such advice provided by any other Party hereto.

13.15 Entire Agreement; Amendment. Other than as specifically provided for herein, this Agreement supersedes all previous Contracts and constitutes the entire agreement of whatsoever kind or nature existing between or among the Parties representing the within subject matter and no Party shall be entitled to benefits other than those specified herein. As between or among the Parties, no oral statement or prior written material not specifically incorporated herein shall be of any force and effect. The Parties specifically acknowledge that in entering into and executing this Agreement, the Parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all Parties hereto.

13.16 Knowledge. Whenever any statement herein or in any schedule, exhibit, certificate or other documents delivered to any Party pursuant to this Agreement is made "to its knowledge" or words of similar intent or effect of any Party or its representative, such person shall make such statement only if such facts and other information which, as of the date the representation is given, are actually known to the Party making such statement, which, with respect to Buyer and the Sellers means the actual knowledge of its officers (or its Affiliate's officers) listed on Schedule 13.16.

13.17 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument. The facsimile signature of any Party to this Agreement or any Contract delivered in connection with the consummation of the transactions described herein or a PDF copy of the signature of any Party to this Agreement or any Contract delivered in connection with the consummation of the transactions described herein delivered by electronic mail for purposes of execution or otherwise, is to be considered to have the same binding effect as the delivery of an original signature on an original Contract.

13.18 Disclaimer of Warranties. Except as expressly set forth in Article 5 hereof, the Purchased Assets transferred to Buyer will be conveyed by the Sellers and accepted by Buyer in their physical condition as of the Effective Time, "AS IS, WHERE IS AND WITH ALL

FAULTS, DEFECTS, IMPERFECTIONS, LIABILITIES AND NONCOMPLIANCE WITH LAWS,” WITH NO WARRANTY OF HABITABILITY OR FITNESS FOR HABITATION, with respect to the Real Property, and WITH NO WARRANTIES, INCLUDING, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, with respect to any personal property which is among the Purchased Assets, any and all of which warranties (both express and implied) hereby disclaims. All of the Purchased Assets shall be further subject to normal wear and tear on the improvements and equipment in the ordinary course of business up to the Effective Time.

13.19 Late Payments. If Buyer or the Sellers, as the case may be, shall fail to make any payment to the other on the date due, then the Party failing to receive such amount to which it is entitled shall have the right to receive interest on the unpaid amount at a per annum rate equal to the prime rate reported by the Wall Street Journal under “Money Rates” on the applicable due date plus two percent (2%) (or the maximum rate allowed by law, whichever is less) from such defaulting Party, such interest accruing beginning on the calendar day after the applicable due date until payment of such amount and all interest thereon is made.

13.20 Guaranty Agreement. Concurrent with the execution of this Agreement, Steward Health Care System LLC, a Delaware limited liability company has delivered to the Sellers that certain Guaranty Agreement, in the form of Exhibit 13.20 attached hereto which guarantees the performance of Buyer’s obligations set forth in this Agreement.

13.21 Time is of the Essence. Time is of the essence for all dates and time periods set forth in this Agreement and each performance called for in this Agreement.

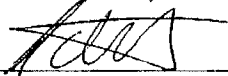
* * *

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the date and year first above written.

BUYER:

**STEWARD MEDICAL HOLDINGS
SUBSIDIARY THREE, INC.**

By: 

Its: _____
Name: Ralph de la Torre, M.D.

Title: President and Chairman of the Board

SELLERS:

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

By: _____

Its: _____

Name: _____

Title: _____

MORTON PROPERTY, INC.

By: _____

Its: _____

Name: _____

Title: _____

**MORTON PHYSICIAN ASSOCIATES,
INC.**

By: _____

Its: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the date and year first above written.

BUYER:

**STEWARD MEDICAL HOLDINGS
SUBSIDIARY THREE, INC.**

By: _____
Its: _____
Name: _____
Title: _____

SELLERS:

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

By: Maureen A Bryant
Its: _____
Name: Maureen A Bryant
Title: President

MORTON PROPERTY, INC.

By: Maureen A Bryant
Its: _____
Name: Maureen A Bryant
Title: President

**MORTON PHYSICIAN ASSOCIATES,
INC.**

By: Maureen A Bryant
Its: _____
Name: Maureen A Bryant
Title: President

Schedule 11.6(c)

During the period beginning on the fifth anniversary of the Closing Date and ending on the tenth anniversary of the Closing Date, Buyer may not close the Post-Closing System or limit its general purpose unless Buyer complies with any law applicable to such action and the following conditions have been met:

(1) The Post-Closing System shall have experienced two (2) consecutive fiscal years of negative Operating Margins during the period beginning on the third anniversary of the Closing Date and ending on the tenth anniversary thereof. Operating Margin shall mean the ratio of operating income to total revenue, as such terms are defined for the purposes of reporting to the Massachusetts Division of Health Care Finance and Policy, from time to time.

(2) Not less than eighteen months prior to the submission of the Closure Notice (as hereinafter defined in paragraph (3)), Buyer shall have notified DPH, with a copy to the Massachusetts Attorney General, that the financial performance of the Post-Closing System for the then current fiscal year was projected to result in a negative Operating Margin; provided, however, in no event shall any such notice be provided by Buyer before the fifth anniversary of the Closing Date. Said notice shall have contained: (i) financial statements and supporting documentation to establish the basis of such negative Operating Margin and (ii) an analysis of the impact of utilization, payer mix, and changes in labor or supply cost on the financial performance of the Post-Closing System and its Operating Margin. During the period subsequent to the delivery of any such notice and prior to the delivery of a Closure Notice, if any, Buyer shall also have provided DPH with such periodic information and reports, provided not less than quarterly, as reasonably necessary to reflect (a) the financial performance of the Post-Closing System and (b) Buyer's then current and anticipated actions designed to address the Post-Closing System's financial performance, subject to confidentiality protections as may be available by law. Upon request, representatives of Buyer shall meet and confer with the Commissioner of Public Health to discuss the Post-Closing System's performance, Buyer's efforts to improve its financial performance, and to answer questions regarding the foregoing.

(3) Buyer shall have provided to DPH, with a copy to the Massachusetts Attorney General, written notice of Buyer's intent to close the Post-Closing System or limit its general purpose (a "Closure Notice"), not less than six (6) months prior to the date upon which Buyer intends to take such action.