

SECOND AMENDMENT TO TRANSFER AGREEMENT

This SECOND AMENDMENT TO TRANSFER AGREEMENT, dated as of _____, 2026 (the “Amendment” or “Second Amendment”), is between the COUNTY OF WAKE, a political subdivision of the State of North Carolina acting by and through its Board of County Commissioners (the “County”), WAKEMED, a North Carolina nonprofit corporation (“WakeMed”), and, solely for purposes of Section 1(b) of this Amendment (inclusive of any definitions of any defined terms referenced therein), ATRIUM HEALTH, INC., a North Carolina nonprofit corporation (“Atrium Health”). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in Exhibit A and incorporated herein by reference.

RECITALS:

WHEREAS, the County and WakeMed are parties to a Transfer Agreement, dated April 1, 1997, as amended by the Amendment to Transfer Agreement dated September 4, 2008 (as amended prior to the date hereof, the “Transfer Agreement”) recorded in Deed Book 7398, Page 773, Wake County Registry and a Bill of Conveyance and General Warranty Deed, dated March 26, 1997 (the “Deed”) recorded in Deed Book 7398, Page 795, Wake County Registry, pursuant to which the County transferred to WakeMed certain real and personal property as further described therein.

WHEREAS, WakeMed desires to enter into a strategic combination with Atrium Health, whereby Atrium Health would become the sole member of WakeMed (the “Transaction”) and WakeMed would be fully integrated into the Advocate Health, Inc. Enterprise (as defined below), which shall be effective upon the date of closing which shall be the date on which Atrium Health becomes the sole member of WakeMed (“Closing”), in order to avail itself of the capabilities of the Enterprise while preserving WakeMed’s unique culture and commitment to serving all in the County.

WHEREAS, Atrium Health is an integrated health care delivery and academic system that was formed by The Charlotte-Mecklenburg Hospital Authority and Wake Forest University Baptist Medical Center. Atrium Health is now a part of the Advocate Health, Inc. enterprise, a nationally prominent, multi-state healthcare system (the “Enterprise”).

WHEREAS, the County maintains a statutory interest in ensuring that any WakeMed restructuring preserves WakeMed’s capacity and commitment to fulfill its community benefit obligations, including indigent care. The parties acknowledge that WakeMed’s financial strength and organizational sustainability are instrumental to its mission of providing accessible, high-quality health care to all Wake County residents regardless of socioeconomic status. WakeMed and Atrium Health anticipate that the Transaction will create jobs and accelerate economic growth in the County, expand access to and address gaps in care for the County residents, improve affordability of care, and enhance mental health services and outcomes.

WHEREAS, the County retains and must continue to retain pursuant to N.C.G.S. 131E-8 a reversionary interest in certain real property identified in Exhibit C, incorporated herein by reference.

WHEREAS, in furtherance thereof, during the 15-year period following the Closing of the Transaction, and subject to the satisfaction of all applicable conditions to such Closing, Atrium Health shall make or cause to be made capital expenditures in furtherance of WakeMed's strategic initiatives in the aggregate sum of not less than two billion dollars (\$2,000,000,000), in addition to Atrium Health's commitment to provide the Consideration, as described further in Section 1(b), below.

In support of the Transaction, the parties intend this Amendment to amend, restate, and supersede the Transfer Agreement in its entirety upon the occurrence of the Closing, but expressly do not intend the Transfer Agreement to be extinguished in the event the Closing does not occur. The supersession of the Transfer Agreement is contingent upon Closing, and if Closing does not occur and this Second Amendment is rendered void pursuant to Section 1, the Transfer Agreement shall remain in full force and effect as if this Second Amendment had never been executed. While not a party to the Transfer Agreement, Atrium Health executes this Amendment solely for purposes of acknowledging its agreement to the terms set forth in Section 1(b), below (inclusive of the definitions of any defined terms referenced therein), and the County and WakeMed hereby acknowledge and agree that Atrium Health shall not otherwise be deemed a party to, nor have any obligations, rights or benefits accruing under, the Transfer Agreement, except as otherwise expressly set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the County and WakeMed hereby agree to amend and restate the Transfer Agreement as follows:

Section 1. Effectiveness of Amendment and Consideration.

(a) This Amendment shall be effective upon the Closing of the Transaction and the filing of Articles of Restatement amending and restating the existing Amended and Restated Articles of Incorporation of WakeMed in the form of **Exhibit B** attached hereto (the "A&R Articles") with the North Carolina Secretary of State (the time of such filing, the "Effective Time"). In the event that the Closing does not occur for any reason, this Amendment shall be void and of no further force and effect.

(b) In consideration for the County's agreement to amend the Transfer Agreement on the terms set forth herein, and to, among other things, improve access to and affordability of health care in Wake County, Atrium Health shall pay the County an annual lump sum payment of \$15 million (each, an "Annual Payment") over a ten year period in the total amount of \$150 million (the "Consideration"), in each case by a method approved by both parties in advance (collectively, the "Wake County Whole Health Program"). The first Annual Payment shall be due and payable on the later of (i) the Closing date or (ii) the first business day following January 1, 2027. Each subsequent Annual Payment shall be due and payable on or before January 15 of each subsequent year for the next nine consecutive years, with final payment due on or before January 15, 2036. The County shall use the Consideration solely to fund one or more County Health Initiatives, in amounts as determined in the County's sole reasonable discretion, provided, subject to applicable law, the Consideration shall not be used for any direct or indirect appropriations to any third party that the County can reasonably determine is a Competitor of WakeMed. For the avoidance of doubt, nothing herein prohibits the County from funding programs

or initiatives that benefit County residents generally, even if such programs indirectly benefit a Competitor. The parties' collective intent for the Wake County Whole Health Program is to improve access to and affordability of care, expand mental health care and address social drivers of health through affordable housing, homelessness solutions and food security. Nothing in this section shall be construed to create any right, entitlement or expectation of funding in favor of any third party. All funding decisions with respect to the Consideration are subject to all applicable laws and regulations, including, but not limited to Chapter 143 of the North Carolina General Statutes and independent approval and appropriation by the Wake County Board of Commissioners in accordance with the Local Government Budget and Fiscal Control Act, and no term herein shall be construed as requiring any action by the County that would otherwise be prohibited by law, nor as a delegation of any authority that the Wake County Board of Commissioners is prohibited from delegating under any applicable law.

Section 2. Entire Agreement. This Amendment, and all other Exhibits attached hereto contain the entire understanding of the parties with respect to the transactions contemplated hereby and, at the Effective Time of the Closing of the Transaction, without further action by either party, shall amend, replace and supersede all other agreements and understandings of the parties on the subject matter hereof, including the Transfer Agreement. Upon the Closing of the Transaction, WakeMed shall file this Amendment with the Wake County Register of Deeds.

Section 3. Consent to A&R Articles. In connection with the Transaction, WakeMed and Atrium Health desire to amend and restate WakeMed's existing Amended and Restated Articles of Incorporation in the form of the A&R Articles. The County hereby approves and consents to the execution and adoption of the A&R Articles at the Closing of the Transaction and hereby waives any right to approve any future amendments to the A&R Articles except as may be contemplated by such A&R Articles.

Section 4. Operation as Community General Hospital. WakeMed agrees that it shall operate the Restricted Property as a community general hospital, as defined in N.C.G.S. §131E-6(2) or a successor section, open to the public, free of discrimination based upon race, creed, color, sex or national origin.

Section 5. Services to Indigent Patients and Additional Consideration.

(a) WakeMed shall provide community general hospital services to the citizens of the County without regard to their ability to pay. Moreover, WakeMed shall ensure that the types and levels of any other service it may from time to time provide, whether inpatient or outpatient, is in no way discriminatorily limited or restricted to any County resident based on such resident's ability to pay. As a means to quantify and measure its compliance with this open-door admissions requirement, WakeMed agrees to provide at a minimum services and resources to indigent patients and the community at large in the County directly or indirectly through Other Indigent Care Providers annually such that Out of Pocket Indigent Costs in each Fiscal Year equal or exceed 8% of Total Adjusted Revenue, provided in the event that, for reasons other than described in paragraph (b), for a Fiscal Year Out of Pocket Indigent Costs are less than 8% of Total Adjusted Revenue (an "Out of Pocket Deficiency"), if WakeMed shall contribute an amount equal to such deficiency to a reserve fund to be held for the purposes of covering the cost of future services to indigent patients then it shall not be in default under the requirements of this sentence.

Amounts in such reserve fund shall be available for use by WakeMed for indigent care costs but only after it has expended in a Fiscal Year amounts such that there is not an Out of Pocket Deficiency; provided if there is in such reserve fund an amount greater than 2.37% of Total Adjusted Revenue for the prior Fiscal Year, WakeMed will make best efforts to expend such excess on health services for the County indigent citizens within the next 12 months.

(b) The parties further acknowledge that circumstances in health care which are beyond WakeMed's control, including but not limited to changes in governmental programs or reimbursement systems which may affect such items as charity care or Medicaid contractual adjustments, or circumstances arising due to improved performance or increased efficiencies on the part of WakeMed, which may affect such items as bad debt and physician services, may occur which will reduce the dollar amount that has theretofore previously been expended towards indigent care, without any resulting reduction in the nature or scope of services provided (a "Change in Circumstances"). WakeMed will notify the County of any circumstances that it believes constitute a Change in Circumstances, and the parties will negotiate in good faith to obtain the County's consent as to whether, and the extent to which, such circumstances constitute a "Change in Circumstances" for purposes of this Amendment, such consent not to be unreasonably withheld, conditioned or delayed. To the extent the parties agree that a Change in Circumstances has occurred, and WakeMed has in no way discriminatorily limited the level of services to indigent patients, then WakeMed shall have no liability or obligation for an Out of Pocket Deficiency (and shall not be in violation of, or default under, this Section 5) to the extent such deficiency reasonably resulted from such Change in Circumstances.

(c) WakeMed acknowledges that its agreement herein to provide services without regard to ability to pay and to further provide at least a minimum financial commitment for services and resources to indigent patients and the community at large in the County was a significant component of the consideration received by the County for the transfer of the Restricted Property. WakeMed further acknowledges that the County will be depending on WakeMed to fulfill such agreements and therefore WakeMed agrees not to request a subsidy from the County for such purposes.

Section 6. Reports.

(a) WakeMed financial results will be included in certain combined financial statements of the Enterprise and will be subject to an annual financial audit in connection with the Enterprise's annual financial statement audit thereof. The audit of such Enterprise financial statements will be performed by a nationally recognized firm of independent auditing and accounting consultants of favorable repute for skill and expertise. WakeMed will provide to the County the unaudited, supplemental, combining financial statements of WakeMed prepared for use in connection with such audit within 30 days of availability. The County shall have the right, upon reasonable notice, to review other financial information with respect to WakeMed and the Restricted Property as needed to ensure compliance by WakeMed with the provisions of this Amendment.

Section 7. Reversion & Property Subject to Reversion; Other Covenants.

(a) If there is (i) a violation of, or default under, the requirements of Section 4 or Section 5 of this Amendment by WakeMed or any successor thereto, or (ii) dissolution of WakeMed without a successor nonprofit corporation to carry out the terms and conditions of this Amendment, and such violation, default or dissolution is not cured by WakeMed within 90 days after notice from the County, the title and ownership to the Restricted Property shall revert and transfer to the County in accordance with the terms of the Deed (with all references in the Deed to Sections 6, 8, 9 and 10 of the Transfer Agreement being deemed to refer to this Section 7).

(b) Property Subject to Reversion. The property subject to the reversion and transfer provisions of the Deed as reincorporated and restated in this Amendment shall be all property defined in Exhibit A as “Restricted Property”. The parties agree that as of the date of this Amendment, the Restricted Property consists only of the real property set forth in the attached Exhibit C and the “Hospital Facilities” as defined in N.C.G.S. § 131E-6(4) located thereon. The parties acknowledge that, prior to execution of this Amendment, WakeMed conveyed or disposed of all of the personal property (including equipment) and certain portions of real property described in the Deed, excluding the real property set forth in Exhibit C attached to this Amendment and the Hospital Facilities located thereon. To the extent any real property set forth on Exhibit C and/or any related Hospital Facilities thereon have been or are in the future conveyed or disposed of with the consent of Wake County in compliance with N.C.G.S. § 131E-8, such property shall no longer be considered Restricted Property. For avoidance of doubt, the intent of this section is to clarify what property remains encumbered by the reversion and transfer provisions contained in the Deed and Transfer Agreement, as amended by this Amendment, which shall remain in full force and effect, unless otherwise modified herein.

(c) Cooperation. In connection with a reversion, WakeMed shall execute and deliver any documents requested by the County to evidence or effectuate the transfer of all such property subject to reversion.

(d) Debt Assumption Upon Reversion. Concurrently with the reversion of the Restricted Property to the County, the County shall assume Indebtedness of WakeMed (solely as a limited obligation payable from revenues from operations of the Restricted Property and not as a general obligation of the County) that is allocable to the financing or refinancing of the acquisition of the Restricted Property by WakeMed, including Indebtedness that financed or refinanced the conveyance of the Restricted Property from the County in 1997 and Indebtedness that has financed or refinanced any subsequent improvements or additions to the Restricted Property (collectively, the “Assumed Indebtedness”). The County shall receive the benefit of, or have assigned to it, all security for the Assumed Indebtedness, including any third party guaranties, assets, contract rights, or letters of credit the secure such Assumed Indebtedness and shall, prior to reversion, seek approval of the Local Government Commission to assume the Assumed Indebtedness pursuant to Chapter 159 of the North Carolina General Statutes, if applicable. For clarity, Assumed Indebtedness shall only include Indebtedness incurred by WakeMed, Atrium Health or any of their affiliates specifically in furtherance of acquiring, improving, or making additions to the Restricted Property or in conjunction with WakeMed’s use of, or business operations specifically occurring on, such Restricted Property, and shall not include any Indebtedness incurred by WakeMed, Atrium Health or any of their affiliates that otherwise encumbers the Restricted Property but was not incurred specifically in furtherance of the improvement or use of the Restricted Property.

(e) Permitted Encumbrances. WakeMed may encumber the Restricted Property as collateral for Indebtedness solely to the extent permitted under each applicable master trust indenture to which WakeMed is subject as a member of the obligated group thereunder. Nothing in this Amendment shall be construed as a waiver of the County's statutory reversion rights under N.C.G.S. §131E-8 or the rights of reversion and transfer reserved for the County in the Deed. Any encumbrance of the Restricted Property is subject to such statutory rights as a matter of law.

(f) Covenant on Disposition of Restricted Property. WakeMed agrees that it will not sell, lease or otherwise dispose of all or any portion of the Restricted Property without the written consent of the County and shall provide at least thirty (30) days' notice of any proposed disposition to the County. Notwithstanding the above, (i) WakeMed may lease, in the ordinary course of business, any Restricted Property without obtaining written consent of the County, provided said lease is for a use consistent with the community health care obligations outlined in Section 4 and Section 5 of this Amendment and (ii) WakeMed may sell, lease or otherwise dispose of machinery, equipment, apparatus, appliances, furnishings and other personal property so long as such personal property (A) is surplus hospital property that is not required in the delivery of necessary hospital services at the time of the lease, sale or conveyance or (B) does not constitute a sale of substantially all of the equipment in the Restricted Property.

(g) Covenant on Collection Practices. WakeMed agrees that, consistent with the Internal Revenue Code of 1986, as amended (the "Code"), it will not engage in the following extraordinary collection actions to obtain payment for care provided by its hospital facilities: (i) selling an individual's debt to another party to the extent prohibited by the Code; (ii) reporting adverse information about an individual to consumer credit reporting agencies or credit bureaus; (iii) deferring or denying, or requiring a payment before providing, medically necessary care because of an individual's non-payment of one or more bills for previously provided care covered under WakeMed's financial assistance policies; or (iv) taking other actions that require a legal or judicial process (including, without limitation: (A) placing a lien on an individual's property to the extent prohibited by the Code; (B) foreclosing on an individual's real property; (C) attaching or seizing an individual's bank account or any other personal property; (D) commencing a civil action against an individual; (E) causing an individual's arrest; (F) causing an individual to be subject to a writ of body attachment; and (G) garnishing an individual's wages). The parties acknowledge and agree that such list of extraordinary collection actions shall automatically update to remain consistent with the definition of such term as it is used in the Code.

Section 8. Indemnification by WakeMed.

(a) WakeMed shall at all times protect, indemnify and save harmless the County from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, interest paid on and all counsel fees and expenses) imposed upon or incurred by or asserted against the County on account of (a) any failure of WakeMed to comply with any of the terms of this Amendment, or (b) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the System or the use thereof, or (c) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the financing, acquisition, ownership, operation, occupation or use of the System, or (d) any suit, whether based on a contractual

claim, a tort claim or otherwise, or private action of any kind whatsoever commenced against the County relating to the System or its operation.

(b) If any action, suit or proceeding is brought or threatened against the County for any loss or damage for which WakeMed is required to provide indemnification under this Section 8, the County shall promptly notify WakeMed, and WakeMed shall at its expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by WakeMed. WakeMed shall have full control of such defense and proceedings, including any compromise or settlement thereof; provided WakeMed may not expressly admit liability or culpability on the part of the County without its consent. The obligations of WakeMed under this section are with respect to the period during which the System is operated or owned by WakeMed, shall be unaffected by when the failure, loss or damage occurred, whether before or after the date hereof, and shall survive any reversion or transfer of the System.

Section 9. Fees and Expenses. WakeMed shall pay all costs, fees and expenses of the County, including counsel and consultant fees, in connection with any action or review by it under this Amendment or as a result of any consent or waiver requested by WakeMed or Atrium Health.

Section 10. Severability. If any provision of this Amendment shall, for any reason, be invalid or unenforceable, such provision shall be ineffective only to the extent of such invalidity or unenforceability and the remaining provisions hereof shall nevertheless be valid, enforceable and in full force and effect.

Section 11. Notices; Communications. Any notice or communication required to be given pursuant to the terms and provisions hereof shall be in writing and shall be sent by certified or registered mail, return receipt requested, postage prepaid or by hand delivery to the parties at:

if to County	Wake County, North Carolina Wake County Office Building Post Office Box 550 Raleigh, NC 27602-0550 Attn: County Manager
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if to WakeMed	WakeMed 3000 New Bern Avenue Post Office Box 14465 Raleigh, NC 27620 Attn: President and CEO
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Section 12. Relationship of Parties. The relationship between the County and WakeMed is that of independent contractors, and neither shall be considered an agent or representative of the other for any purpose.

Section 13. Gender. The use of the masculine, feminine or neuter gender and the use of the singular and plural shall not be given the effect of any exclusion or limitation herein.

Section 14. Multiple Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute a single instrument.

Section 15. Governing Law. This Amendment shall be construed in accordance with the laws of the State of North Carolina and the venue for any litigation related hereto shall be Wake County.

Section 16. Compliance with Terms. Failure to insist upon strict compliance with any of the terms herein (by way of waiver or breach) by either party hereto shall not be deemed to be a continuous waiver in the event of any future breach or waiver of any condition hereunder.

Section 17. Third Party Beneficiary. This Amendment shall not create nor be construed to create any rights in any manner whatsoever in any other person or entity as a third-party beneficiary other than Atrium Health, which shall be deemed an express third party beneficiary of the rights of WakeMed under this Amendment.

Section 18. Binding Agreement; Amendments. This Amendment shall be binding upon the successors or assigns of the parties hereto. This Amendment may be amended only with the agreement of both parties hereto.

Section 19. Recording. This Amendment shall be recorded in the Wake County Register of Deeds on or before Closing.

(signatures appear on following pages)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

WAKE COUNTY

By: _____
Chairman, Board of County Commissioners

ATTEST:

Clerk

(SEAL)

WAKEMED

By: _____

Name: Donald R. Gintzig

Title: President and Chief Executive Officer

And, solely for purposes of Section 1(b) hereof:

ATRIUM HEALTH, INC.

By: _____

Name:

Title:

EXHIBIT A

DEFINED TERMS

“Care Cost Percentage” means a fraction, the numerator of which is Total Operating Expenses for services to the County citizens *less* provision for bad debt and the denominator of which is net patient service revenue for services to the County citizens, as determined for WakeMed for its most recent audited Fiscal Year in accordance with generally accepted accounting principles for hospitals consistently applied.

“Competitor” means any third party who is not an affiliate of Atrium Health (it being acknowledged that WakeMed and its affiliates will be affiliates of Atrium Health after the Closing) who, directly or indirectly through an affiliate, either as principal, agent, proprietor, shareholder, owner, member, manager, or joint venture partner (including, but not limited to, pursuant to a joint operating agreement or similar arrangement), participates in the ownership, operation, management, or control of a hospital or ambulatory surgery center located in the following counties in North Carolina: Franklin, Johnston, Chatham, Harnett, Wake, Orange or Durham.

“County Health Initiatives” means and includes any investments in or payments to health-related public purposes, as identified and selected solely by the Wake County Commissioners and for the benefit of residents of the County, which may include: (i) stabilization and placement of youth in crisis, including addressing the shortage of foster care placements and treatment resources resulting in extended stays in county facilities for youth with complex or high acuity needs; (ii) initiatives to improve the continuum of care for residents of the County experiencing homelessness; (iii) capital investment in EMS and other county health facilities; (iv) transitional and supportive housing; (v) eviction prevention and emergency rental assistance programs; (vi) vouchers for permanent supportive housing; (vii) food security programs; (viii) in-home aids for seniors; and (ix) general behavioral health.

“Fiscal Year” means a period twelve (12) months in length and, (i) until September 30, 2026, ending on September 30 of each calendar year, (ii) following September 30, 2026, ending on December 31 of each calendar year (with a stub period for the applicable period ending December 31, 2026); provided, that if the System adopts a different fiscal year in the future, such fiscal year shall constitute the Fiscal Year.

“Indebtedness” means (a) all indebtedness of WakeMed with respect to the System for borrowed money, (b) all installment sales and capital lease obligations incurred or assumed by WakeMed with respect to the System, and (c) all guaranties of the obligation of any Person by WakeMed. Indebtedness shall not include (i) obligations for which there is on deposit with a third party escrow agent, cash or government obligations registered in the name of such third party escrow agent that are irrevocably pledged to payment of either or both principal of and interest on the Indebtedness and that are sufficient, together with investment earnings thereon, to provide for payment of that portion of the Indebtedness for which they are pledged, or (ii) obligations under a line of credit, letter of credit, standby bond purchase agreement or similar liquidity facility established in connection with the issuance of any Indebtedness to the extent that such liquidity facilities have not been used or drawn upon. If such liquidity facility is used or drawn upon to

retire or purchase Indebtedness then the liability incurred by such use or draw shall be included in Indebtedness.

“Operating Expenses” means the reasonable and necessary current expenses of maintaining, repairing and operating the System, including, without limiting the generality of the foregoing, all administrative, general and commercial expenses, insurance and surety bond premiums, payments for the billing and collection of rents, rates, fees or other charges imposed or charged by the System or the income or operations thereof or the property forming a part thereof, rentals of equipment or other property, usual expenses of maintenance and repair, and any other current expenses required to be paid by WakeMed by law, all to the extent properly and directly attributable to the System; provided “Operating Expenses” shall not include (a) any payments on leases other than leases which are operating, leases under generally accepted accounting principles for hospitals consistently applied, (b) any depreciation or amortization, or (c) any interest other than interest on Special Operating Indebtedness.

“Other Indigent Care Providers” means providers of health services in the County to indigent citizens and other medically underserved groups in the County.

“Out of Pocket Indigent Costs” means the total of (i) charity care plus (ii) the net deficit for the Wake Specialty Physicians, LLC and WakeMed Specialists Group, LLC practices times the Care Cost Percentage, as determined for both WakeMed and all controlled affiliates of WakeMed which are providing patient care in accordance with generally accepted accounting principles for hospitals consistently applied.

“Person” means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture or a government or agency or political subdivision thereof.

Restricted Property” means the “Hospital Land” as defined in N.C.G.S. §131E-6(4) and referenced in the Deed and the “Hospital Facilities” as defined in N.C.G.S. §131E-6(4a) located thereon, including all additions thereto and replacements thereof, but excluding any property that has been subsequently conveyed or disposed of with the consent of Wake County or in compliance with the disposition of assets covenants in the Transfer Agreement or Section 7(f) of this Amendment.

“Special Operating Indebtedness” means Indebtedness of WakeMed not in excess of 20% of Total Operating Revenues for the most recent Fiscal Year for which audited financial statements of WakeMed are available and specifically designated as such in writing by WakeMed.

“System” means the hospital facilities and related property noted in the Deed and all additions thereto, replacements thereof and after-acquired facilities to be operated therewith, including all real and personal property related thereto, as such may now or hereafter exist.

Total Adjusted Revenue” means total patient service revenues for the County residents *plus* all other operating and non-operating revenues *less* contractual deductions for the County residents, as determined for both WakeMed and all controlled affiliates of WakeMed which are providing patient care in accordance with generally accepted accounting principles for hospitals consistently applied.

“Total Operating Expenses” means Operating Expenses for the County residents except any depreciation or amortization shall not be excluded.

“Total Operating Revenues” means total operating revenues, being the sum of gross patient service revenue *less* contractual allowances and provisions for uncollectible accounts, free care and discounted care *plus* other operating revenues, as determined in accordance with generally accepted accounting principles for hospitals consistently applied.

EXHIBIT B

WAKEMED ARTICLES OF RESTATEMENT

(Attached)

EXHIBIT C

“RESTRICTED PROPERTY”

WAKE MEDICAL CENTER

28.492 Acres

BEGINNING at a New 7/8" Iron Pipe set on the eastern right of way line of US 64 (New Bern Ave.) and being located S 47° 09' 49" W 6494.09 (feet) (Ground Dist) from NCGS Monument "Taylors" [Northing =746020.8045(feet) Easting =2126940.408(feet) with a combined Grid Factor of 0.9999094] said point being the Northwest corner of Wake County property, thence S 46° 25' 37" E 869.21(feet) to a New 7/8" Iron Pipe, thence S 43° 33' 48" W 13.63(feet) to a New 7/8" Iron Pipe, thence S 46° 28' 01" E 91.24(feet) to a New 7/8" Iron Pipe, thence S 40° 21' 38" W 289.54(feet) to a New 7/8" Iron Pipe, thence 12° 08' 59" E 91.49(feet) to a nail set in the sidewalk, thence 31° 50' 35" E 68.39(feet) to a New 7/8" Iron Pipe, thence N 89° 31' 11" E 51.21(feet) to a New 7/8" Iron Pipe, thence S 32° 12' 16" E 117.41(feet) to a New 7/8" Iron Pipe, thence N 87° 55' 18" E 104.66(feet) to a New 7/8" Iron Pipe, thence S 28° 37' 39" E 53.34(feet) to a Existing 7/8" Iron Pipe, thence S 61° 22' 29" W 226.89(feet) to a Existing 1" Pinched Top Iron Pipe, thence S 61° 22' 29" W 189.93(feet) to a New PK nail set at the R/W of Swinburne St., thence with said R/W N 28° 37' 27" W 31.72(feet) to a New 7/8" Iron Pipe, thence S 57° 57' 24" W 47.74(feet) to a New PK nail, thence with a curve to the left having a radius of 45.00(feet) and a chord bearing and distance of S 12° 53' 21" E 85.04(feet) to an Existing 1" Iron Pipe, thence with a curve to the right having a radius of 25.00(feet) and a chord bearing and distance of S 56° 11' 57" E 23.15(feet) to an Existing PK nail, thence S 28° 37' 27" E 117.03(feet) to an Existing PK nail, thence leaving the R/W of Swinburne St. S 61° 22' 42" W 382.25(feet) to a Existing 7/8" Iron Pipe, thence N 29° 47' 18" W 198.97(feet) to a New 7/8" Iron Pipe, thence N 29° 47' 18" W 64.22(feet) to a New 7/8" Iron Pipe, thence 31° 57' 18" W 90.78(feet) to a New 7/8" Iron Pipe, thence N 72° 58' 18" W 74.26(feet) to a New 7/8" Iron Pipe, thence N 50° 38' 18" W 64.92(feet) to a New 7/8" Iron Pipe, thence N 36° 47' 18" W 52.10(feet) to a New 7/8" Iron Pipe, thence N 31° 50' 46" W 88.00(feet) to a Existing 1" Iron Pipe at the Southern R/W of Galahad Dr., thence along the Eastern edge of Galahad Dr. N 31° 50' 46" W 59.59(feet) to an Existing 7/8" Iron Pipe on the Northern R/W of Galahad Dr., thence leaving the R/W of Galahad Dr. N 31° 50' 46" W 117.62(feet) to an Existing 7/8" Iron Pipe, thence N 38° 10' 39" W 23.26(feet) to an Existing 7/8" Iron Pipe, thence N 53° 41' 39" W 23.00(feet) to an Existing 7/8" Iron Pipe, thence N 69° 35' 39" W 36.00(feet) to an Existing 7/8" Iron Pipe, thence N 78° 19' 39" W 50.00(feet) to an Existing 7/8" Iron Pipe, thence N 72° 30' 33" W 30.91(feet) to an Existing 1" Pinched Top Iron Pipe, thence N 72° 30' 33" W 27.09(feet) to an Existing 1" Pinched Top Iron Pipe, thence N 63° 37' 06" W 40.05(feet) to a Existing 7/8" Iron Pipe, thence N 55° 28' 06" W 40.00(feet) to a Existing 7/8" Iron Pipe, thence N 49° 35' 06" W 209.96(feet) to a New 7/8" Iron Pipe on the Eastern R/W of HWY 64 (New Bern Ave.), thence with said R/W N 40° 56' 45" E 859.16(feet) to a New 7/8" Iron Pipe, thence leaving said R/W S 48° 57' 44" E 609.32(feet) to a Point, thence S 31° 57' 22" E 156.89(feet) to a Point, thence N 58° 02' 38" E 35.00(feet) to a Point, thence N 58° 02' 38" E 9.12(feet) to a Point, thence N 58° 02' 38" E 108.68(feet) to a Point, thence N 32° 02' 00" W 191.12(feet) to a Point, thence N 40° 20' 48" W 46.99(feet) to a Point, thence N 48° 43' 02" W 109.19(feet) to a Point, thence S 85° 15' 44" W 32.12(feet) to a Point, thence S 41° 03' 16" W 105.37(feet) to a Point, thence N 48° 57' 44" W

443.18(feet) to a New 7/8" Iron Pipe on the Eastern R/W of HWY 64, thence with said R/W N 40° 56' 45" E 6.62(Feet) to a New 7/8" Iron Pipe, thence with a curve to the left having a radius of 1552.45(feet) and a chord bearing and distance of N 36° 26' 12" E 244.11(feet) to the point of BEGINNING. Containing 28.492 acres according to a survey map entitled "BOUNDARY & RECOMBINATION SURVEY FOR WAKE COUNTY" by DSAAtlantic Corp. dated February 10, 1997.

WESTERN WAKE MEDICAL CENTER

3.324 Acres

Beginning at a point on the northwest corner of the "Building Lot" said point being located S 22°54'45" E 386.79 feet from a concrete monument with N.C. grid coordinates of N = 724,673.06 and E = 2,064,331.18 N.A.D.27 labeled control corner, thence runs N 62°19'42" E 171.17 feet to a point; thence runs N 27°40'18" W 45.00 feet to a point; thence runs N 62°19'42" E 120.00 feet to a point; thence runs S 27°40'18" E 45.00 feet to a point; thence runs N 62°19'42" E 63.83 feet to a point; thence runs S 27°40'18" E 309.40 feet to a point; thence runs S 20°04'06" W 152.70 feet to a point; thence runs S 62°19'42" W 157.74 feet to a point; thence runs N 72°49'18" W 119.15 feet; thence runs N 27°40'18" W 135.67 feet to a point; thence runs S 62°19'42" W 10.00 feet to a point; thence runs N 27°40'18" 65.83 feet to a point; thence runs S 62°19'42" W 20.00 feet to a point; thence runs N 27°40'18" W 60.33 feet to a point; thence runs N 62°19'42" E 30.00 feet to a point; thence runs N 27°40'18" W 66.00 feet to the point and place of beginning, containing 3.324 acres according to survey map entitled Wake County Hospital System, Inc. prepared by B.L. Scott & Co., Registered Land Surveyors dated March 19, 1997.

This property is shown as the "Building Lot" on a map entitled Subdivision Plat Option "A", Wake County Health Facilities and Services Authority, Inc. as recorded in B.O.M. 1988, Pg. 1621 W.C.R.