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UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re:

SOUND SHORE MEDICAL CENTER OF WESTCHESTER, *et al.*, Chapter 11

Case No. 13-22840 (RDD)

(Jointly Administered)

Debtors.

STIPULATION BETWEEN DEBTORS, THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND ALLSCRIPTS HEALTHCARE, LLC

This stipulation (this "<u>Stipulation</u>") is entered into by and among (i) Sound Shore Medical Center of Westchester, The Mount Vernon Hospital, Howe Avenue Nursing Home, Inc., The M.V.H. Corporation, Sound Shore Health System, Inc., NRHMC Services Corporation, and New Rochelle Sound Shore Housing, LLC, as debtors and debtors in possession in the above-captioned jointly administered cases (collectively, the "<u>Debtors</u>"), (ii) the Official Committee of Unsecured Creditors appointed in the above-captioned chapter 11 cases (the "<u>Committee</u>"), and (iii) Allscripts Healthcare, LLC ("<u>Allscripts</u>" and, together with the Debtors and the Committee, the "<u>Parties</u>").

RECITALS

A. On May 29, 2013 (the "<u>Petition Date</u>"), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "<u>Bankruptcy Code</u>") in the United States Bankruptcy Court for the Southern District of New York (the "<u>Bankruptcy Court</u>"). The Debtors' chapter 11 cases are jointly administered for procedural purposes only.

B. Prior to the Petition Date, Sound Shore Health System, Inc. and Allscripts' predecessor, Eclipsys Corporation, entered into a Master Agreement (together with all addenda,

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attachments and amendments thereto and all delivery orders executed or made pursuant thereto, the "<u>Master Agreement</u>"), pursuant to which Allscripts licenses to the Debtors proprietary software that forms the basis for the Debtors' electronic medical records and billing system (the "<u>Allscripts Software</u>") and provides the Debtors with support services in connection with the Allscripts Software.

C. As of the Petition Date, the Debtors were obligated to Allscripts for certain outstanding fees and other amounts due and owing under the Master Agreement. Sound Shore Medical Center of Westchester scheduled Allscripts' prepetition claim in the amount of \$5,085,823.40 in its "Schedule F – Creditors Holding Unsecured Nonpriority Claims" [Dkt. No. 125] and The Mount Vernon Hospital scheduled Allscripts' prepetition claim in the amount of \$1,585,356.77 in its "Schedule F – Creditors Holding Unsecured Nonpriority Claims" [Dkt. No. 127]. On or about September 11, 2013, Allscripts filed a proof of claim against Sound Shore Medical Center of Westchester for amounts outstanding under the Master Agreement as of the Petition Date in the total liquidated amount of \$5,415,308.00.

D. On August 8, 2013, the Bankruptcy Court entered its Order Pursuant to Sections 105(A), 363 and 365 of the Bankruptcy Code Approving Sale of the Debtors Real Property and Designated Personal Property Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests [Dkt. No. 259] (the "<u>Sale Order</u>") approving the sale of substantially all of the Debtors' assets (the "<u>Sale</u>") to Montefiore New Rochelle Hospital, Inc., Montefiore Mount Vernon Hospital, Inc., Schaffer Extended Care Center, Inc. and certain related affiliates (collectively, as applicable, the "<u>Buyer</u>"). The Sale Order was re-affirmed and ratified by a Supplemental Sale Order entered by the Bankruptcy Court on October 15, 2013 [Dkt. No. 381]. On November 12, 2011, the Debtors filed a Notice of Closing of Sale of Hospitals and Related

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Health Care Facilities [Dkt. No. 428] stating that the closing of the Sale had occurred and had become effective at 12:01 a.m. on November 6, 2013 (the "<u>Closing</u>").

E. To facilitate the Debtors' continued collection of outstanding accounts receivable for the benefit of their estates, the Debtors desire to retain ongoing, limited access to the Allscripts Software and certain services related thereto for a period of time following the Closing (the "<u>Post-Closing Services</u>") on revised economic terms and reduced costs to the Debtors, as further set forth in that certain Amended Delivery Order dated December 30, 2013 and annexed hereto as <u>Exhibit</u> A (the "<u>Amended Delivery Order</u>"). Thereafter, the Debtors desire to reject the Master Agreement.

F. Within ninety days before the Petition Date, Allscripts received payments under the Master Agreement in the approximate amount of \$585,000, which payments the Committee asserts may be recoverable under section 547 of the Bankruptcy Code. Allscripts asserts defenses to the recovery of such payments.

G. The Debtors, Allscripts and the Committee have engaged in good faith negotiations regarding Allscripts' continued provision of the Post-Closing Services as well as the rejection of the Master Agreement and resolution of the Parties' prepetition and post-petition claims and obligations arising thereunder.

H. The Parties have reached an agreement as to the rejection of the Master Agreement and the treatment of all claims between the Parties arising from or related to the Master Agreement, the licenses and services provided thereunder, and all obligations owed and payments made in connection therewith.

NOW, THEREFORE, for good and valuable consideration between the Parties, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

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AGREEMENT

1. <u>Recitals</u>. The recitals set forth above are incorporated herein by reference.

Ongoing Contractual Obligations. Until such time as the Master Agreement is 2. rejected pursuant to section 365 of the Bankruptcy Code and in accordance with the terms of this Stipulation, (i) Allscripts agrees to provide the Debtors with the Post-Closing Services at the prices specified in the Amended Delivery Order and on the terms set forth therein and to comply with all of its obligations under the Master Agreement, as modified by the Amended Delivery Order, and (ii) the Debtors and their estates agree to comply with all of their obligations under Master Agreement, as modified by the Amended Delivery Order, including their obligations to pay Allscripts the amounts set forth in the Amended Delivery Order at the times set forth therein. As further set forth in the Amended Delivery Order and subject to the terms thereof, the Debtors agree to pay for the Post-Closing Services on a monthly basis, in advance of each month, such that payment for each month is due on the last business day of the prior month (the "Payment Date"), and the Debtors further Agree that, if the Debtors do not pay in full all obligations due on the Payment Date, Allscripts shall be entitled to suspend immediately any and all performance under the Master Agreement until the required payments are made, and if the Debtors have not paid all outstanding obligations on or before the sixth business day of any month, Allscripts shall be entitled to terminate the PFM Services in accordance with the terms of the Amended Delivery Order.

3. <u>Rejection of the Master Agreement</u>. The Parties agree that, on the final day of the Term (as defined in the Amended Delivery Order) (the "Termination <u>of Services Date</u>"), the Master Agreement, as modified by the Amended Delivery Order, shall be deemed rejected pursuant to section 365 of the Bankruptcy Code and in accordance with the terms of this

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Stipulation, without further order of the Bankruptcy Court, effective as of the Termination of Services Date. The Debtors shall not seek to terminate the Post-Closing Services prior the Termination of Services Date.

4 Allscripts' General Unsecured Claim. The Parties agree that Allscripts' aggregate claim for amounts outstanding as of the Petition Date shall be, and hereby is, allowed as a general unsecured claim against Sound Shore Medical Center of Westchester in the amount of \$4,900,000.00 (the "Allowed General Unsecured Claim"). The Parties further agree that Allscripts shall, and hereby does, waive any and all claims it may have for damages arising as a result of the Debtors' rejection of the Master Agreement. The Allowed General Unsecured Claim shall be satisfied in accordance with the provisions for satisfaction of general unsecured claims set forth in the chapter 11 plan of reorganization or liquidation, and any amendments thereto, that is ultimately confirmed for Sound Shore Medical Center of Westchester (as may be amended or modified, the "Plan"), when such Plan becomes effective; provided, however, that Allscripts shall forgo the first \$290,000.00 of any distribution to which Allscripts would be entitled on account of the Allowed General Unsecured Claim, which amount shall remain with the estate; provided, further, however, that any distribution over and above \$290,000.00 to which Allscripts would be entitled on account of the Allowed General Unsecured Claim shall be paid to Allscripts in accordance with the Plan. In the event that Sound Shore Medical Center of Westchester's chapter 11 case is converted to a case under chapter 7 of the Bankruptcy Code, Allscripts shall have an allowed general unsecured claim in that chapter 7 case in the amount of the Allowed General Unsecured Claim agreed to herein and shall forgo the first \$290,000 of any distribution to which Allscripts would be entitled on account of such allowed claim in that chapter 7 case. The Parties acknowledge and agree that Allscripts need not take any further

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action to seek to have the Allowed General Unsecured Claim allowed in Sound Shore Medical Center of Westchester's chapter 11 case or any successor chapter 7 case. The Debtors and/or the Bankruptcy Court-appointed claims agent shall amend the claims register to reflect that the Allowed General Unsecured Claim is to be allowed against Sound Shore Medical Center of Westchester and its estate in the amount stipulated herein and with the treatment specified herein and that Allscripts shall have no other allowed prepetition claim against any of the Debtors.

5. Allscripts' Administrative Expense Claim. The Parties agree that Allscripts shall have an allowed administrative expense claim against Sound Shore Medical Center of Westchester under section 503(b) of the Bankruptcy Code (the "Allowed Administrative Expense Claim") for all amounts owed under the Master Agreement, as modified by the Amended Delivery Order (for the period of time covered by the Amended Delivery Order), from and after the Petition Date (including amounts hereinafter incurred). The Parties acknowledge and agree that Allscripts need not take any further action to seek to have the Allowed Administrative Expense Claim allowed in Sound Shore Medical Center of Westchester's chapter 11 case or any successor chapter 7 case. The Allowed Administrative Expense Claim includes the amounts outstanding under the Master Agreement for the period from and since the Petition Date through the date immediately prior to the Closing (the "Pre-Closing Post-Petition The Parties hereby stipulate that the amount of Pre-Closing Post-Petition Obligations"). Obligations is \$830,824.68. The Debtors shall pay the Pre-Closing Post-Petition Obligations as soon as practicable following approval of this Stipulation by the Bankruptcy Court after payment of any existing secured creditors holding valid, perfected and enforceable liens on the assets otherwise available for payment of the Pre-Closing Post-Petition Obligations. The Allowed Administrative Expense Claim also includes all of the Debtors' obligations under the Master

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Agreement, as modified by the Amended Delivery Order, from and after the date of the Closing, including the Debtors' payment obligations under the Amended Delivery Order for the period of time between the Closing and the Termination of Services Date (the "<u>Amended Delivery Order</u> <u>Obligations</u>"). The Debtors shall comply with and pay all Amended Delivery Order Obligations as and when due, as set forth in Paragraph 2 of this Stipulation and the Amended Delivery Order.

6. Allscripts Release. Allscripts, on behalf of itself and its affiliates, hereby releases the Debtors and each of their respective parents, affiliates, subsidiaries (either direct or indirect), divisions, subcontractors, officers, directors, members, shareholders, employees and agents, and each of their successors, predecessors, heirs, executors, administrators, and/or assigns, in each case, solely in their respective capacities as such (collectively, the "Debtor Releasees"), from any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law, equity or otherwise, whether now known or unknown, vested or contingent, which exist, or may in the future exist against any of the Debtor Releasees (other than the Allowed General Unsecured Claim, the Allowed Administrative Expense Claim, and the obligations of the Debtors and their estates pursuant to this Stipulation and in connection with the Post-Closing Services), arising from or related to the Allscripts Software, the Master Agreement, the Debtor Releasees' performance of their obligations under the Master Agreement, or any services provided or amounts owed and/or paid under or in connection with the Master Agreement (the "Allscripts Release"); provided, however, that the Allscripts Release does not include or release any claims, rights, obligations, causes of action, damages or other liabilities arising out of any breach of this Stipulation or the Master Agreement, as modified by the

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Amended Delivery Order, following approval of this Stipulation by order of the Bankruptcy Court.

7. Debtor Release. The Debtors, on behalf of themselves and their estates, each hereby release Allscripts and each of its parents, affiliates, subsidiaries (either direct or indirect), divisions, subcontractors, officers, directors, members, shareholders, employees and agents, and each of their successors, predecessors, heirs, executors, administrators, and/or assigns, in each case, solely in their respective capacities as such (collectively, the Allscripts Releasees"), from any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature, in law, equity or otherwise, whether now known or unknown, vested or contingent, which exist, or may in the future exist against any of the Allscripts Releasees (other than Allscripts' obligations pursuant to this Stipulation or the Post-Closing Services), arising from or related to the Allscripts Software, the Master Agreement, the Allscripts Releasees' performance of their obligations under the Master Agreement, or any services provided or amounts owed and/or paid under or in connection with the Master Agreement (the "Debtor Release"); provided, however, that the Debtor Release does not include or release any claims, rights, obligations, causes of action, damages or other liabilities arising out of any breach of this Stipulation or the Master Agreement, as modified by the Amended Delivery Order, following approval of this Stipulation by order of the Bankruptcy Court. For the avoidance of doubt, the Debtor Release includes, without limitation, a release by each of the Debtors and their respective estates of each of the Allscripts Releasees for any and all claims and causes of action arising under any of the provisions of chapter 5 of the Bankruptcy Code arising from or related to the Allscripts Software, the Master Agreement, the Allscripts Releasees'

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performance of their obligations under the Master Agreement, or any services provided or amounts owed and/or paid under or in connection with the Master Agreement.

8. <u>Entire Agreement</u>. This Stipulation constitutes the Parties' entire agreement and supersedes and amends any and all agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; provided, however, that nothing in this Stipulation shall modify or limit the provisions of either (i) the Acknowledgement and Consent Agreement executed by Allscripts and Sound Shore Health System, Inc. in respect of the Buyer's or any of the Buyer's affiliates' pre-Closing access to the Allscripts Software and certain of the Debtors' electronic records or (ii) the Master Agreement, including, and as modified by, the Amended Delivery Order.

9. <u>No Third Party Beneficiary</u>. This Stipulation is not intended to confer upon any other person any rights or remedies hereunder.

10. <u>Authorization</u>. The undersigned persons represent and warrant that they have full authority to execute this Stipulation on behalf of the respective Parties and that the respective Parties have full knowledge of and have consented to this Stipulation.

11. <u>Execution in Counterparts</u>. This Stipulation may be executed in counterparts, all of which may be transmitted by facsimile or electronic mail, and each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

12. <u>Governing Law</u>. This Stipulation shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws.

13. <u>Modification</u>. This Stipulation may not be amended without the express written consent of all Parties hereto.

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14. <u>Binding Agreement</u>. This Stipulation shall be binding upon Allscripts, the Committee, the Debtors, and the Debtors' estates and upon each of their affiliates, assigns and successors, including, without limitation, any trustee that might be elected or appointed in any of the Debtors' chapter 11 cases or in any successor case upon the conversion to a case under chapter 7 of the Bankruptcy Code.

15. <u>Acknowledgements</u>. The Parties acknowledge that they have each participated in and jointly consented to the drafting of this Stipulation and that any claimed ambiguity shall not be construed for or against either party on account of such drafting.

16. <u>Bankruptcy Court Jurisdiction</u>. The Bankruptcy Court shall retain jurisdiction over any and all disputes or other matters arising under or otherwise relating to this Stipulation.

17. <u>Admissions & Concessions</u>. All contentions made in this Stipulation are made in furtherance of a proposed settlement and none of the Parties admits or concedes the validity of any of claims or defenses and nothing herein shall be deemed an admission of fact or law. Without limiting the generality of the foregoing, the Parties' respective stipulations as to the amounts of Allscripts' claims and agreement to the revised contractual terms reflected in the Amended Delivery Order are made pursuant to, and remain subject to approval of, this Stipulation.

[SIGNATURES PAGE FOLLOW]

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Dated December 30, 2013

ALLSCRIPTS HEALTHCARE, LLC

By:/s/ <u>Ariella Thal Simonds</u> Title:Counsel for Allscripts Healthcare, LLC

Telephone: Facsimile:

SOUND SHORE MEDICAL CENTER OF WESTCHESTER THE MOUNT VERNON HOSPITAL, HOWE AVENUE NURSING HOME, INC., THE M.V.H. CORPORATION SOUND SHORE HEALTH SYSTEM, INC. NRHMC SERVICES CORPORATION NEW ROCHELLE SOUND SHORE HOUSING, LLC

By:/s/ Burton S. Weston Title:Counsel to the Debtors

Telephone: Facsimile:

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS APPOINTED IN THE ABOVE-CAPTIONED CASES

By:/s/ Craig Freeman Title:Counsel for the Committee

Telephone: Facsimile:

SO ORDERED

Dated: January 13, 2014 White Plains, New York

<u>/s/Robert D. Drain</u> HONORABLE ROBERT D. DRAIN UNITED STATES BANKRUPTCY JUDGE 13-22840-rdd Doc⁻557-1 Filed 01/14/14 Entered 01/14/14 10:29:52 Exhibit A Pg 1 of 4

EXHIBIT A

(Amended Delivery Order)

LA1 2840013v.7

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SECOND AMENDMENT TO DELIVERY ORDER FOR SUNRISE MATERIALS

This Second Amendment to Delivery Order for Sunrise Materials ("Second Amendment") is made and entered as of this 30 day of <u>December</u>, 2013 by and between Allscripts Healthcare, LLC ("Allscripts" formerly known as Eclipsys Corporation) and Sound Shore Health System, Inc. ("Client" or "Sound Shore Health System"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement (as defined below).

RECITALS

WHEREAS, Allscripts and Client are parties to that certain master Agreement dated January 21, 2010, as amended (the "Agreement") and that certain Delivery Order dated January 21, 2010 (the "Delivery Order");

WHEREAS, Allscripts and Client amended the Delivery Order on March 25, 2010 (the "First Amendment"), for Client's purchase of and access to New Software designated as "PFM";

WHEREAS, on or about November 6, 2013 (the "Acquisition Date"), certain of Client's assets were purchased by designces of Montefiore Medical Center in a separate transaction (the "Acquisition");

WHEREAS, in order to permit Client the ability to wind down its operations and collect certain accounts receivables following the Acquisition, Allscripts and Client hereby desire to further amend the Delivery Order in order to memorialize (i) Client's continued access to PFM following the Acquisition; (ii) mutually agreed upon changes of scope for the Professional Services contemplated by the Delivery Order; (iii) changes in certain fees related to Client's continued access to PFM following the Acquisition and changes in scope of the Professional Services, and (iv) the modification of certain terms of the Delivery Order to reflect the changes contemplated by this Amendment.

NOW THEREFORE, in consideration of the foregoing and the respective covenants, conditions, representations, warranties and restrictions contained in this Amendment, the parties hereby agree as follows:

1. Amendments to the Delivery Order.

a. As of the Acquisition Date, the parties hereby amend and restate the Delivery Order to remove and delete all "Eclipsys Software and Third Party Software" contained in the "Licensed Software and Payment Table" in Section 1.1 of the Delivery Order except for the following Eclipsys Software and Third Party Software:

FSPAFI1000: Sunrise Patient Financials FSPAFI2030: Claims Status Checking FSPAFI 1120: ODBC Reporting FSPAFI 1130: Reimbursement and Contract Management FSPAFI110: Multi-Entity Processing FSPAFI2010: CMS Outpatient PPS FSPAFI2040: CMS Inpatient PPS FSPAFI2040: ICD-9-CM Mapper FSPAFI2050: ICD-9-CM Mapper FSPAFI2135: NY APGPPS FSPAFI2130: NY State PPS

For clarity, the parties acknowledge and agree that such retained Software is the PFM solution.

- b. With the exception of the PFM solution licenses and related hosting described herein (collectively, the "PFM Services"), Client's license and access to all other software and services described in the Delivery Order are terminated as of the Acquisition Date. Allscripts may perform Professional Services for Client in support of the PFM Services at Allscripts' then-standard hourly rates upon Client's written request. Client and Allscripts shall mutually agree in writing upon the scope of any Professional Services.
- c. Allscripts hereby agrees to permit Client continued access to PFM from November 6, 2013 until April 30, 2014 (the "Initial Six-Month Term"); provided, however, that Client may extend the Initial Six-Month term and the PFM Services for an additional period of no less than one calendar month and no more than six calendar months at any time prior to April 30, 2014 for any reason by giving five (5) business days' written notice to Allscripts (the Initial Six-Month Term together with any extension thereof made in accordance with the terms hereof, as applicable, the "Term"). All other references to Term in the Delivery Order are hereby amended and restated to mean this Term, as

defined herein. Client shall have no liability to Allscripts for any fees accruing after expiration of the Term (as extended pursuant to the terms hereof, if applicable) or termination of the PFM Services by Allscripts pursuant to Paragraph 1(e) hereof following the sixth business day of any month upon non-payment by Client.

- d. As of November 5, 2013, the parties hereby agree that the payment schedule amount set forth in the Delivery Order is amended and restated in its entirety to read "\$32,363.92." Such amount represents a monthly amount due and payable for the PFM Services. Notwithstanding the preceding, if the Term of the PFM Services is extended by Client in accordance with Paragraph 1(c) above, the monthly fee for each month subsequent to the Initial Six-Month Term shall be calculated at the rate of \$15,075.08 per month (the "Adjusted Monthly Fee")
- e. Footnote 5 in Section 1.1 of the Delivery Order is hereby deleted and replaced with the following:

"Payment Schedule: With respect to the Fees, In-Scope Professional Service Fees, one-time fees and Remote Hosting Fees owing for the PFM Services, pursuant to the Second Amendment to the Delivery Order, beginning on November 6, 2013 and continuing until termination of the Term, Client shall pay Allscripts a monthly fee equal to \$32,363.92 ("Monthly Fee") for the PFM Services; provided, however, if the Term is extended as provided in Paragraph 1(c) of the Second Amendment to the Delivery Order, Client shall pay the Adjusted Monthly Fee for each month subsequent to the Initial Six-Month Term. On the third business day following the Second Amendment Effective Date, Client shall pay on a pro rata basis the Monthly Fees incurred for the period commencing on November 6, 2013 through Second Amendment Effective Date plus the remaining Monthly Fees due and payable for that calendar month. All subsequent Monthly Fees (or Adjusted Monthly Fees, as applicable) shall be due and payable in advance of delivery of each month's PFM Services and shall be received by Allscripts no later than the last business day of the month immediately prior. Client acknowledges and agrees that Allscripts shall be entitled to immediately suspend the PFM Services in the event the Monthly Fees (or Adjusted Monthly Fees, as applicable) are not received by the first business day of any month. If Client subsequently pays the Monthly Fees (or Adjusted Monthly Fees, as applicable) outstanding, Allscripts shall resume the PFM Services upon receipt of the outstanding Monthly Fees (or Adjusted Monthly Fees, as applicable). However, in the event the Monthly Fees (or Adjusted Monthly Fees, as applicable) are not received by Allscripts by the sixth business day of any month, Allscripts shall be entitled to immediately terminate the PFM Services, in which case Client shall have no liability to Allscripts for any fees accruing after Allscripts terminates the PFM Services."

- 2. Contingency. Client and Allscripts have negotiated certain stipulated terms (the "Stipulation") in connection with Client's chapter 11 bankruptcy petition. Client acknowledges and agrees that this Second Amendment shall be contingent, and shall become effective only, upon the bankruptcy court's approval of the Stipulation (the "Second Amendment Effective Date"). In the event the Stipulation is not approved by the bankruptcy court by January 10, 2014, this Second Amendment shall be null and void and of no force or effect.
- 3. Remaining Agreement Provisions. Except as modified herein, all provisions of the Agreement and Delivery Order remain in full force and effect and shall apply to this Amendment. This Amendment shall govern in the event of any conflict between this Amendment, any prior amendments and the Delivery Order.
- 4. **Miscellaneous**. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment, and any such counterpart containing a facsimile signature shall be deemed an original.

IN WITNESS WHEREOF, this Second Amendment is hereby accepted and agreed by both Parties.

ALLSCRIPTS HEALTHCARE, LLC By: Auth ' Signatu

John Sage, Vice President

Name Printed, Title

12/30/13

SOUND SHORE HEALTH SYSTEM, INC.

By: <u>Authorized Signature</u>

Name Printed, Title

Date

Confidential Information

Date

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defined herein. Client shall have no liability to Allscripts for any fees accruing after expiration of the Term (as extended pursuant to the terms hereof, if applicable) or termination of the PFM Services by Allscripts pursuant to Paragraph 1(e) hereof following the sixth business day of any month upon non-payment by Client.

- d. As of November 5, 2013, the parties hereby agree that the payment schedule amount set forth in the Delivery Order is amended and restated in its entirety to read "\$32,363.92." Such amount represents a monthly amount due and payable for the PFM Services. Notwithstanding the preceding, if the Term of the PFM Services is extended by Client in accordance with Paragraph 1(c) above, the monthly fee for each month subsequent to the Initial Six-Month Term shall be calculated at the rate of \$15,075.08 per month (the "Adjusted Monthly Fee")
- e. Footnote 5 in Section 1.1 of the Delivery Order is hereby deleted and replaced with the following:

"Payment Schedule: With respect to the Fees, In-Scope Professional Service Fees, one-time fees and Remote Hosting Fees owing for the PFM Services, pursuant to the Second Amendment to the Delivery Order, beginning on November 6, 2013 and continuing until termination of the Term, Client shall pay Allscripts a monthly fee equal to \$32,363.92 ("Monthly Fee") for the PFM Services; provided, however, if the Term is extended as provided in Paragraph 1(c) of the Second Amendment to the Delivery Order, Client shall pay the Adjusted Monthly Fee for each month subsequent to the Initial Six-Month Term. On the third business day following the Second Amendment Effective Date, Client shall pay on a pro rata basis the Monthly Fees incurred for the period commencing on November 6, 2013 through Second Amendment Effective Date plus the remaining Monthly Fees due and payable for that calendar month. All subsequent Monthly Fees (or Adjusted Monthly Fees, as applicable) shall be due and payable in advance of delivery of each month's PFM Services and shall be received by Allscripts no later than the last business day of the month immediately prior. Client acknowledges and agrees that Allscripts shall be entitled to immediately suspend the PPM Services in the event the Monthly Fees (or Adjusted Monthly Fees, as applicable) are not received by the first business day of any month. If Client subsequently pays the Monthly Fees (or Adjusted Monthly Fees, as applicable) outstanding, Allscripts shall resume the PFM Services upon receipt of the outstanding Monthly Fees (or Adjusted Monthly Fees, as applicable). However, in the event the Monthly Fees (or Adjusted Monthly Fees, as applicable) are not received by Allscripts by the sixth business day of any month, Allscripts shall be entitled to immediately terminate the PFM Services, in which case Client shall have no liability to Allscripts for any fees accruing after Allscripts terminates the PFM Services."

- 2. Contingency. Client and Allscripts have negotiated certain stipulated torms (the "Stipulation") in connection with Client's chapter 11 bankruptcy petition. Client acknowledges and agrees that this Second Amendment shall be contingent, and shall become effective only, upon the bankruptcy court's approval of the Stipulation (the "Second Amendment Effective Date"). In the event the Stipulation is not approved by the bankruptcy court by January 10, 2014, this Second Amendment shall be null and void and of no force or effect.
- 3. Remaining Agreement Provisions. Except as modified herein, all provisions of the Agreement and Dellvery Order remain in full force and effect and shall apply to this Amendment. This Amendment shall govern in the event of any conflict between this Amendment, any prior amendments and the Delivery Order.
- 4. Miscellancous. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment, and any such counterpart containing a facsimile signature shall be deemed an original.

IN WITNESS WHEREOF, this Second Amendment is hereby accepted and agreed by both Parties.

ALLSCRIPTS HEALTHCARE, LLC

SOUND SHORE HEALTH SYSTEM, INC.

By: Authorized Signature

Name Printed, Title

By: Monica Jerrano Authorized Signature Chief	
Authorized Signature	Chief Jour
Monicy Ternano	wind- your
Name Printed, Title	
12/20/2012	

Date

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