

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

This FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Amendment") is entered into as of February 27, 2014, by and among CharterCARE Health Partners, a Rhode Island non-profit corporation ("CCHP"), Roger Williams Medical Center, a Rhode Island non-profit corporation ("RWMC"), St. Joseph Health Services of Rhode Island, a Rhode Island non-profit corporation ("SJHSRI"), Roger Williams Realty Corporation, a Rhode Island non-profit corporation ("RWRC"), RWGH Physicians Office Building, Inc., a Rhode Island non-profit corporation ("RWOB"), Elmhurst Extended Care Facilities, Inc., a Rhode Island non-profit corporation ("Elmhurst ECF"), Roger Williams Medical Associates, Inc., a Rhode Island non-profit corporation ("RWMA"), Roger Williams PHO, Inc., a Rhode Island non-profit corporation ("PHO"), Elmhurst Health Associates, Inc., a Rhode Island corporation ("Elmhurst HA"), Our Lady of Fatima Ancillary Services, Inc., a Rhode Island corporation ("Our Lady"), The Center for Health and Human Services, a Rhode Island non-profit corporation ("TCHHS"), SJH Energy, LLC, a Rhode Island limited liability company ("SJHE"), and Rosebank Corporation, a Rhode Island corporation ("Rosebank" and together with CCHP, RWMC, SJHSRI, RWRC, RWOB, Elmhurst ECF, RWMA, PHO, Elmhurst HA, Our Lady, TCHHS and SJHE, each a "Seller" and, collectively, "Sellers"), Prospect Medical Holdings, Inc., a Delaware corporation ("Prospect"), Prospect East Holdings, Inc., a Delaware corporation ("Prospect Member"), Prospect CharterCare, LLC, a Rhode Island limited liability company (the "Company"), Prospect CharterCare RWMC, LLC, a Rhode Island limited liability company ("RWMC SMLLC"), Prospect CharterCare SJHSRI, LLC, a Rhode Island limited liability company ("SJHSRI SMLLC"), Prospect CharterCare Elmhurst, LLC, a Rhode Island limited liability company ("Elmhurst SMLLC"), and Prospect CharterCare Physicians, LLC, a Rhode Island limited liability company ("Physicians SMLLC" and together with RWMC SMLLC, SJHSRI SMLLC and Elmhurst SMLLC, each a "Company Subsidiary" and, collectively, the "Company Subsidiaries"). Terms used but not otherwise defined herein shall have the respective meanings specified in the Asset Purchase Agreement (defined below).

RECITALS

WHEREAS, Sellers, Prospect, Prospect Member, the Company and the Company Subsidiaries (collectively, the "Parties") are parties to that certain Asset Purchase Agreement dated as of September 24, 2013 (the "Asset Purchase Agreement"), pursuant to which Sellers shall sell to the Company, and the Company shall acquire from Sellers, either directly or through the Company Subsidiaries, substantially all of the assets of Sellers used in the operation of the Facilities; and

WHEREAS, the Parties desire to amend the Asset Purchase Agreement in order to, among other things, add Prospect CharterCare Ancillary Services, LLC, a Rhode Island limited liability company ("Ancillary Services SMLLC"), as a party to the Asset Purchase Agreement; and

WHEREAS, the Parties desire to amend the form of Amended and Restated Agreement, which was Exhibit A to the Asset Purchase Agreement, in order to, among other things, change the fiscal year as set forth therein.

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

1. Amendment to the Form of Amended and Restated Agreement (attached as Exhibit A to the Asset Purchase Agreement). Section 7.5 of the form of Amended and Restated Agreement is hereby deleted and replaced in its entirety with the following:

“7.5 Fiscal Year. The fiscal year of the Company and each Company Subsidiary shall be the twelve (12) month period commencing on October 1st and ending on September 30th.”

2. Replacement of Exhibit A to the Asset Purchase Agreement. Exhibit A to the Asset Purchase Agreement is hereby deleted and replaced in its entirety with Attachment 1 attached hereto.

3. Amendment to Preamble. The first sentence of the Preamble of the Asset Purchase Agreement is hereby deleted and replaced in its entirety with the following sentence:

“THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of September 24, 2013 by and among CharterCARE Health Partners, a Rhode Island non-profit corporation (“CCHP”), Roger Williams Medical Center, a Rhode Island non-profit corporation (“RWMC”), St. Joseph Health Services of Rhode Island, a Rhode Island non-profit corporation (“SJHSRI”), Roger Williams Realty Corporation, a Rhode Island non-profit corporation (“RWRC”), RWGH Physicians Office Building, Inc., a Rhode Island non-profit corporation (“RWOB”), Elmhurst Extended Care Facilities, Inc., a Rhode Island non-profit corporation (“Elmhurst ECF”), Roger Williams Medical Associates, Inc., a Rhode Island non-profit corporation (“RWMA”), Roger Williams PHO, Inc., a Rhode Island non-profit corporation (“PHO”), Elmhurst Health Associates, Inc., a Rhode Island corporation (“Elmhurst HA”), Our Lady of Fatima Ancillary Services, Inc., a Rhode Island corporation (“Our Lady”), The Center for Health and Human Services, a Rhode Island non-profit corporation (“TCHHS”), SJH Energy, LLC, a Rhode Island limited liability company (“SJHE”), and Rosebank Corporation, a Rhode Island corporation (“Rosebank” and together with CCHP, RWMC, SJHSRI, RWRC, RWOB, Elmhurst ECF, RWMA, PHO, Elmhurst HA, Our Lady, TCHHS and SJHE, each a “Seller” and, collectively, “Sellers”), Prospect Medical Holdings, Inc., a Delaware corporation (“Prospect”), Prospect East Holdings, Inc., a Delaware corporation (“Prospect Member”), Prospect CharterCare, LLC, a Rhode Island limited liability company (the “Company”), Prospect CharterCare Ancillary Services, LLC, a Rhode Island limited liability company (“Ancillary Services SMLLC”), Prospect CharterCare RWMC, LLC, a Rhode Island limited liability company (“RWMC SMLLC”), Prospect CharterCare SJHSRI, LLC, a Rhode Island limited liability company (“SJHSRI SMLLC”), Prospect CharterCare Elmhurst, LLC, a Rhode Island

limited liability company ("Elmhurst SMLLC"), and Prospect CharterCare Physicians, LLC, a Rhode Island limited liability company ("Physicians SMLLC" and together with Ancillary Services SMLLC, RWMC SMLLC, SJHSRI SMLLC and Elmhurst SMLLC, each a "Company Subsidiary" and, collectively, the "Company Subsidiaries")."


4. Counterpart Signature Page to Asset Purchase Agreement. Contemporaneously with the execution of this Amendment, Ancillary Services SMLLC shall execute a Counterpart Signature Page to the Asset Purchase Agreement in the form attached hereto as Attachment 2, in order become bound by all of the terms and provisions of, and be entitled to all of the benefits and privileges of, the Asset Purchase Agreement.
5. Ratification of the Asset Purchase Agreement. Except as expressly amended by this Amendment, all other terms and conditions of the Asset Purchase Agreement shall remain in full force and effect without modification.
6. Entire Agreement. The Asset Purchase Agreement (including all schedules, annexes and exhibits thereto), as amended by this Amendment, constitutes the entire agreement among the Parties with respect to the subject matter thereof and hereof and supersedes all prior agreements and understandings among the Parties, oral or written, with respect to the subject matter thereof and hereof.
7. Execution of this Amendment. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature delivered by facsimile or PDF will be sufficient for all purposes among the Parties.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their authorized representatives, all as of the date and year first above written.

SELLERS:

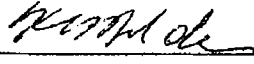
CHARTERCARE HEALTH PARTNERS

By: 
Name:
Title:


ROGER WILLIAMS MEDICAL CENTER

By: 
Name:
Title:

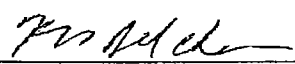
ST. JOSEPH HEALTH SERVICES OF RHODE ISLAND

By: 
Name:
Title:

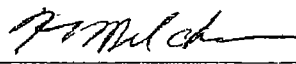
ROGER WILLIAMS REALTY CORPORATION

By: 
Name:
Title:


RWGH PHYSICIANS OFFICE BUILDING, INC.

By: 
Name:
Title:


ELMHURST EXTENDED CARE FACILITIES, INC.

By: 
Name:
Title:

ROGER WILLIAMS MEDICAL ASSOCIATES, INC.

By: 
Name:
Title:

ROGER WILLIAMS PHO, INC.

By: 
Name:
Title:

ELMHURST HEALTH ASSOCIATES, INC.

By: [Signature]
Name:
Title:

OUR LADY OF FATIMA ANCILLARY SERVICES, LLC

By: [Signature]
Name:
Title:

THE CENTER FOR HEALTH AND HUMAN SERVICES

By: [Signature]
Name:
Title:

SJH ENERGY, LLC

By: [Signature]
Name:
Title:

ROSEBANK CORPORATION

By: [Signature]
Name:
Title:

PROSPECT:

PROSPECT MEDICAL HOLDINGS, INC.

By: [Signature]
Name:
Title:

PROSPECT MEMBER:

PROSPECT EAST HOLDINGS, INC.

By: [Signature]
Name:
Title:

COMPANY:

PROSPECT CHARTERCARE, LLC

By: [Signature]
Name:
Title:

COMPANY SUBSIDIARIES:

PROSPECT CHARTERCARE RWMC, LLC

By: _____
Name:
Title:

PROSPECT CHARTERCARE SJHSRI, LLC

By: _____
Name:
Title:

PROSPECT CHARTERCARE ELMHURST,
LLC

By: _____
Name:
Title:

PROSPECT CHARTERCARE PHYSICIANS,
LLC

By: _____
Name:
Title:

ATTACHMENT 1

EXHIBIT A TO THE ASSET PURCHASE AGREEMENT

See attached.

ATTACHMENT 2

COUNTERPART SIGNATURE PAGE

TO

ASSET PURCHASE AGREEMENT

February 27, 2014

The undersigned, desiring to become a party to that certain Asset Purchase Agreement dated as of September 24, 2013 (as amended by that certain First Amendment to Asset Purchase Agreement dated as of February ____, 2014, the "Asset Purchase Agreement"), by and among CharterCARE Health Partners, Roger Williams Medical Center, St. Joseph Health Services of Rhode Island, Roger Williams Realty Corporation, Physicians Office Building, Inc., Elmhurst Extended Care Facilities, Inc., Roger Williams Medical Associates, Inc., Roger Williams PHO, Inc., Elmhurst Health Associates, Inc., Our Lady of Fatima Ancillary Services, Inc., The Center for Health and Human Services, SJH Energy, LLC, Rosebank Corporation, Prospect Medical Holdings, Inc., Prospect East Holdings, Inc., Prospect CharterCare, LLC, Prospect CharterCare RWMC, LLC, Prospect CharterCare SJHSRI, LLC, Prospect CharterCare Elmhurst, LLC, and Prospect CharterCare Physicians, LLC, hereby agrees to be bound by all of the terms and provisions of, and shall be entitled to all of the benefits and privileges of, the Asset Purchase Agreement, and further authorizes the parties to the Asset Purchase Agreement to attach this signature page to the Asset Purchase Agreement in order to make the undersigned a party thereto.

PROSPECT CHARTERCARE ANCILLARY
SERVICES, LLC

By: _____
Name:
Title:

S3-PHCA00008