

## MANAGEMENT SERVICES AGREEMENT

This MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of the [ ] day of [ ], 201\_\_ (the "Effective Date") by and between Prospect East Hospital Advisory Services, LLC, a Delaware limited liability company (collectively with its Affiliates, "Manager"), and Prospect CharterCare, LLC, a Rhode Island limited liability company (the "Company").

### RECITALS

A. The Company operates a healthcare system comprised of the Affiliates (as defined in ARTICLE I below) and facilities set forth on Exhibit A attached hereto, as it may be updated from time to time as and if additional facilities are acquired or developed (each, a "Facility" and, collectively, the "Facilities") (the Company and its Affiliates, hereafter, collectively, the "Company").

B. Manager, through its executives and other personnel, has certain experience and expertise in the management, operations, financial and administrative aspects of businesses like that of the Company.

C. The Company desires to engage Manager to provide certain administrative and management services set forth on Exhibit B hereto (the "Management Services") on behalf of the Company for the Facilities as its agent, and Manager desires to provide the Management Services on behalf of the Company for the Facilities as its agent, pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for their mutual reliance, the parties agree as follows:

### ARTICLE I RECITALS; AFFILIATES

1.1 Recitals. The recitals set forth above are hereby incorporated into this Agreement as if fully set forth in this Section 1.1.

1.2 Affiliate. As used herein, "Affiliate" means, as to the Company or Manager, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, as applicable, the Company or Manager and any successors or assigns of such person or entity; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of, as applicable, the Company or Manager whether through ownership of voting securities, by appointment of trustees, directors, and/or officers, by contract or otherwise.

ARTICLE II  
APPOINTMENT AND ACCEPTANCE; CONTROL

2.1 Appointment. For and during the Term (as defined in ARTICLE VI below), the Company grants to Manager, upon the terms and conditions as set forth herein, the sole and exclusive right to manage the operations of the Company's business at, and with respect to, the Facilities (the "Business"). Throughout the Term, Manager shall be vested, to the fullest extent permitted by applicable law and subject to the terms hereof, with authority over the business, operations and assets of the Business.

2.2 Acceptance. Manager hereby accepts such appointment by the Company and agrees that it will faithfully perform its duties and responsibilities hereunder, and will consult with the Company from time to time relating to the operation of the Business.

2.3 Maintenance of Control. Nothing in this Agreement is intended to alter, weaken, displace or modify the ultimate authority of the Board of Directors of the Company as set forth in the Amended & Restated Limited Liability Company Agreement of the Company (the "Operating Agreement"), dated as of the Effective Date, by and among the Company, and each of Prospect East Holdings, Inc. and Prospect CharterCare, LLC (collectively, the "Members"). During the Term, the Board of Directors of the Company shall exercise ultimate authority, supervision, direction and control over the business, policies, operation and assets of the Company, and shall retain the ultimate authority and responsibility regarding the powers, duties and responsibilities vested in the Board of Directors of the Company by any and all applicable laws and regulations. Nothing in this Agreement is intended to alter, weaken, displace or modify the responsibility of the Board of Directors of the Company for the Company's direction and control.

ARTICLE III  
RIGHTS AND RESPONSIBILITIES OF MANAGER

Subject to the provisions of this Agreement and the Operating Agreement, Manager shall provide, in the name of and on behalf of the Company, the Management Services set forth on Exhibit B.

ARTICLE IV  
RIGHTS AND RESPONSIBILITIES OF THE COMPANY

Subject to the provisions of this Agreement and the Operating Agreement, the Company shall have the following duties, responsibilities and authority:

4.1 Designated Liaison Person. The Company shall direct all inquiries regarding operations, procedures, policies, employee relations, patient care and all other matters concerning the Business to such person as Manager may from time to time designate.

4.2 Cooperation with Manager. The Company will fully cooperate with Manager in operating and managing the operations of the Business. The Company shall provide timely responses to Manager's requests and inquiries to enable Manager to perform the Management Services hereunder. All of the Members shall fully cooperate with Manager in the fulfillment of

its duties hereunder, including, without limitation, attending (or sending representatives to attend) committee meetings, providing information and input to Manager, being available for consulting and signing documents and providing information with regard to Medicare certification and state licensing.

4.3 Work Space; Equipment. At each Facility, the Company shall provide Manager with sufficient working space and other reasonable physical accommodations, as well as access to telephones, facsimile machines, internet connections and copiers, to enable Manager to fulfill its duties and responsibilities hereunder.

4.4 Required Funds. The Company shall provide Manager with access to such funds as may be required for the operation of the Business and to pay the Management Fee (as defined in Section 5.2(a)), any other amounts due to Manager under this Agreement, and all other amounts payable by the Company in accordance with this Agreement.

4.5 Access of Manager; Patient Records.

(a) During the Term, Manager shall be given complete access to the Company's records (including Patient Records as defined below), offices and Facilities, in order that it may carry out its obligations hereunder, subject to the confidentiality requirements relating to Patient Records.

(b) The Company shall maintain, to the fullest extent of the law, sole and exclusive responsibility for the preparation, storage and destruction of all patient medical records, clinical treatment plans, charts and similar documents generated in connection with the operation of the Business (collectively, the "Patient Records"). Subject to the responsibilities of Manager hereunder, the Company shall assure that the Patient Records are prepared in compliance with all applicable federal, state and local laws and regulations. All Patient Records will be maintained by the Company and shall remain the property of the Company.

(c) To the extent permitted by law including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the standards or regulations promulgated thereunder, including the Privacy Standards and the Security Standards, as well as the federal Health Information Technology for Economic and Clinical Health Act (including any and all standards and regulations promulgated thereunder) and professional ethics regarding confidentiality and disclosure of medical information, the Company shall make such information available to Manager to enable Manager to perform its duties hereunder and for any and all other reasonable purposes. For the purposes of this Section 4.5, Manager shall be referred to as the Company's Business Associate ("Business Associate"). As a Business Associate, Manager agrees to enter into the Business Associate Agreement with the Company, attached hereto as Exhibit C.

ARTICLE V  
FEES; EXPENSES

5.1 Reimbursement of Expenses. Except as otherwise expressly provided in this Agreement, the Company shall be solely, fully and individually financially responsible for all liabilities arising out of the ownership, operation or maintenance of the Business (including,

without limitation, the Management Fee and any other amounts due to Manager or any of its Affiliates in connection with this Agreement). The Company shall, within ten (10) days after its receipt of a demand from Manager for reimbursement, reimburse Manager for all costs, expenses and liabilities incurred, paid or satisfied by Manager in connection with the performance of its obligations under this Agreement or otherwise arising out of the operation or maintenance of the Business (including, without limitation, all travel and out of pocket expenses incurred by Manager); provided, however, that the Company shall not be responsible for general corporate overhead costs of Manager, other than those variable costs directly attributable to services provided to the Company, such as the compensation and other costs of executives hired by Manager but who work exclusively for the Company (including, without limitation, the CEO and other management personnel), which shall not constitute general corporate overhead and shall be reimbursed to the Manager on a pass-through basis.

#### 5.2 Management Fee.

(a) As consideration for the Management Services rendered by Manager hereunder, for each full or partial calendar month during the Term, the Company shall pay to Manager a monthly fee equal to two percent (2%) of the Net Revenues (as defined below) during such calendar month (or portion thereof) (the "Management Fee").

(b) As used herein, "Net Revenues" means total operating revenues derived, directly or indirectly, by the Company with respect to the Business, whether received on a cash or on a credit basis, paid or unpaid, collected or uncollected, as determined in accordance with generally accepted accounting principles ("GAAP") net of (A) allowances for third party contractual adjustments and (B) discounts and charity care amounts (not including any bad debt amounts), in each case as determined in accordance with GAAP.

#### 5.3 Billing.

(a) On or before the tenth (10th) day of each month, Manager shall send the Company an invoice for the Management Fee and any expenses incurred by Manager in performing the Management Services during the prior month. The Company shall pay to Manager the amount shown on such invoice via wire transfer of immediately available funds within five (5) days of receipt of the invoice. Manager's wire transfer information is as follows:

[insert Manager's wiring instructions]

(b) The Company shall pay to Manager interest calculated at the then current prime rate plus one percent (1%) on all delinquent invoiced amounts.

### ARTICLE VI TERM

The term of this Agreement shall commence on the Effective Date and shall continue until the twentieth (20<sup>th</sup>) anniversary of the Effective Date (the "Initial Term"), unless earlier terminated pursuant to the terms set forth in ARTICLE VII below. At the end of the Initial Term, this Agreement shall automatically renew without any further action by either party for

successive ten (10) year terms, unless terminated pursuant to ARTICLE VII. The Initial Term and any renewal terms are collectively referred to in this Agreement as the “Term.”

## ARTICLE VII TERMINATION

7.1 Termination by Either Party for Cause. If either party materially defaults in the performance of any material covenant, agreement, term or provision of this Agreement to be performed by it and such material default continues for a period of ninety (90) days after written notice is delivered to the breaching party from the other party stating the specific default, then the non-breaching party may terminate this Agreement by giving written notice thereof to the breaching party; provided, however, that the non-breaching party shall not have the right to terminate under this Section 7.1 at the end of such ninety (90) day period so long as the breaching party has commenced a cure within such ninety (90) day period and thereafter diligently pursues such cure to completion, which shall be no later than one hundred eighty (180) days after the initial written notice.

7.2 Termination Upon Bankruptcy, Etc. If either party shall apply for or consent to the appointment of a receiver, trustee or liquidator for it or for all or substantially all of its assets, file a voluntary petition in bankruptcy or admit in writing its inability to pay its debts as they become due, make a general assignment for the benefit of creditors, file a petition or any answer seeking reorganization or arrangement with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating either party to be bankrupt or appointing a receiver, trustee or liquidator of either party with respect to all or substantially all of the assets of either party, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days, then this Agreement shall automatically terminate.

7.3 Termination upon Closure, Abandonment or Dissolution. This Agreement shall terminate immediately and automatically if the Business and the Facilities are closed (for any reason whatsoever) or abandoned by the Company or if the Company files for dissolution.

7.4 Termination by Manager for Failure to Pay or Provide Funding. Manager shall have the right to terminate this Agreement upon ten (10) days written notice to the Company if the Company fails to pay any amounts when due to Manager under this Agreement, or fails to provide funding needed for it to comply with any other requirements hereunder.

7.5 Regulatory Matters. If the performance by either party of any material covenant, agreement, term or provision of this Agreement would (a) result in the de-certification of a Facility under any federal government or any state government program or by any other regulatory agency that would have a material adverse effect on the operation of the Business, (b) result in the loss of any Facility’s accreditation, or (c) be in violation of any statute or regulation, or for any other reason be or become illegal and such violation or illegality would have a material adverse effect on the operation of the Business, and in any such event, the reason therefor cannot be corrected by good faith negotiations and effort of the parties hereto within sixty (60) days after written notice thereof (with the objective of keeping the financial intent of

the parties hereunder materially the same), then either party may at its option terminate this Agreement.

7.6 Rights Upon Termination. In the event of the termination of this Agreement for any reason, Manager shall immediately be paid any accrued and unpaid Management Fees and reimbursed for all expenses incurred for which reimbursement is required hereunder. The right to terminate this Agreement, and to receive payment of any amounts owing as of the effective date of termination, shall be in addition to any other remedy available pursuant to the provisions hereof. The termination of this Agreement for any reason shall be without prejudice to any payments or obligations that may have accrued or become due hereunder prior to the effective date of termination, or that may become due after such termination.

7.7 Cessation of Use of Proprietary Rights Upon Termination. Upon termination of this Agreement, the each party shall immediately discontinue the use of, and will promptly return to the other party, as applicable, all Confidential Information (to the extent in tangible format) that was made available to such party by reason of its participation in this Agreement, including any copies that it may have in its possession or control.

7.8 Failure to Terminate. Failure to terminate this Agreement shall not waive any breach of this Agreement.

7.9 Survival. To the extent set forth or contemplated in this Agreement, provisions of this Agreement shall survive the termination of this Agreement.

#### ARTICLE VIII LIABILITY, INDEMNIFICATION, PROFITABILITY AND INDEPENDENT CONTRACTOR

8.1 Limitation of Liability. Except for Manager's gross negligence or willful misconduct, Manager shall not by reason of this Agreement or any Management Services rendered pursuant to this Agreement have any liability in connection with the operation of the Business or be deemed to have assumed any liabilities associated with or incident to the operation of the Business. All such liabilities shall remain with the Company. Without limiting the generality of the foregoing, Manager shall have no liability for any breach of any obligation under this Agreement unless such breach shall constitute gross negligence or willful misconduct; it being understood that in such case of a breach of an obligation that does not constitute gross negligence or willful misconduct, the Company's sole remedies shall be to obtain damages and/or to terminate this Agreement as provided herein.

8.2 Indemnification.

(a) The Company hereby agrees to defend, indemnify and hold Manager and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each, an "Manager Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Manager Indemnified Party in any way relating to, arising out of or resulting from (i) the

management, ownership, operation or maintenance of the Business, except to the extent caused by Manager's gross negligence or willful misconduct, or (ii) any breach by the Company of any of its representations, warranties, covenants, obligations or duties under this Agreement.

(b) Manager hereby agrees to defend, indemnify and hold the Company, and its Affiliates, and their respective officers, directors, managers, members, employees, shareholders, agents, successors and assigns (each a "Company Indemnified Party") harmless, from and against any and all liabilities, causes of action, damages, losses, demands, claims, penalties, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and related costs) of any kind or nature whatsoever that may be sustained or suffered by any Company Indemnified Party in any way caused by Manager's gross negligence or willful misconduct related to the management of the Business.

(c) The provisions of this Section 9.2 shall survive the termination of this Agreement.

8.3 No Representation of Profitability, Etc. Manager does not guarantee or represent that operation of the Business will be profitable, or have a certain amount of revenues or cash flow. Manager shall not be liable for the Company's losses, whether from operation of the Business or otherwise.

8.4 Independent Contractor Status. Manager does not under this Agreement act in any other capacity, except as an independent contractor and does not, under this Agreement, act as principal in the operation of the Facilities. The Company acknowledges that Manager or one of its Affiliates is also a Member of the Company and is the "manager" under the Operating Agreement, and that such does not impact the forgoing sentence.

## ARTICLE IX REPRESENTATIONS AND WARRANTIES

9.1 Of Manager. Manager represents and warrants to the Company as follows:

(a) Manager has been duly organized and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power to own its properties and to conduct its business under such laws.

(b) Manager has the full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by Manager have been duly taken. The individual executing this Agreement on behalf of Manager is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by Manager under this Agreement, nor compliance by Manager with any provision of this Agreement will conflict with or violate Manager's certificate of incorporation or bylaws, any agreements to which Manager is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon Manager's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of Manager, enforceable in accordance with its terms.

(e) Neither Manager, nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

9.2 Of the Company. The Company represents and warrants to Manager as follows:

(a) The Company has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Rhode Island, with full limited liability company power to own its properties and to conduct its business under such laws.

(b) The Company has the full power and authority as a limited liability company to execute and deliver this Agreement and to perform its obligations hereunder, and all necessary actions for the due authorization, execution, delivery and performance of this Agreement by the Company have been duly taken. The individual executing this Agreement on behalf of the Company is duly authorized and has the requisite power and authority to execute this Agreement.

(c) Neither the execution of this Agreement, the performance by the Company under this Agreement, nor compliance by the Company with any provision of this Agreement will conflict with or violate the Company's certificate of formation or the Operating Agreement, any agreements to which the Company is a party, or any material provision of applicable federal, state and local laws, rules and regulations.

(d) Upon the Company's execution of this Agreement, this Agreement shall constitute a valid and binding obligation of the Company, enforceable in accordance with its terms.

(e) Neither the Company nor its Affiliates, employees, and agents (i) is currently excluded, debarred or otherwise ineligible to participate in any federal or state health care program, (ii) has been convicted of a criminal offense related to the provision of healthcare items and services and (iii) is a Specially Designated National or a Blocked Person by the Office of the Foreign Asset Control of the U.S. Department of Treasury.

## ARTICLE X INSURANCE

10.1 Manager's Required Coverage. During the Term hereof, Manager shall maintain, at its own expense, workers' compensation coverage in accordance with statutory requirements for Manager's employees who provide services under this Agreement, and commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The limits above may be satisfied by any combination of self insurance or umbrella policies, and Manager may carry any



insurance required by this Agreement under a blanket policy. The Company shall be an additional named insured under Manager's general liability insurance policy.

10.2 The Company's Required Coverage. The Company shall maintain, at the Company's expense, at all times during the Term: (a) workers' compensation coverage in accordance with statutory requirements for the Company's employees; (b) commercial property damage and fire/hazard insurance written on full replacement value basis for all of the Company's assets and real property; (c) professional liability insurance covering the Company's employees who perform any work, duties, or obligations against claims for bodily injury, death, malpractice and property damage, which insurance shall provide coverage on a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate; and (d) comprehensive commercial general liability insurance in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate. The above limits may be satisfied by any combination of primary and excess or umbrella policies. The Company may carry any insurance required by this Agreement under a blanket policy. Manager shall be an additional named insured under the Company's general liability insurance policy.

10.3 Certificates of Insurance. On the Effective Date and at any time upon request, each party shall provide the other party certificates of insurance evidencing the coverages required hereby, and shall notify the other party immediately of the cancellation, termination, or non-renewal of, or material change in, such insurance coverage.

#### ARTICLE XI ARMS-LENGTH BARGAINING

The parties agree that the compensation provided herein has been determined in arm's-length bargaining and is consistent with fair market value in arm's length transactions and is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to the Facilities or between the parties or any of the undersigned persons or equity holders thereof for which payment may be made in whole or in part under Medicare or any state health care program or under any other payor program.

#### ARTICLE XII ASSIGNMENT

The Company shall not, directly or indirectly, assign or otherwise transfer this Agreement, or any interest herein or obligation hereunder, without the prior written consent of Manager, which may be withheld in Manager's sole discretion. In no event may the Company assign this Agreement unless the assignee shall have executed and delivered to Manager a written assumption of this Agreement in form and substance satisfactory to Manager in its sole discretion. Manager shall be permitted, without the consent of the Company, to assign this Agreement: (a) upon the purchase or sale of fifty percent (50%) or more of the assets of Manager to the purchaser of such assets; or (b) to any Affiliate of Manager.

ARTICLE XIII  
NOTICES

All notices required or permitted hereunder shall be given in writing by actual delivery or by certified mail, postage prepaid or by nationally recognized overnight courier service. Notice shall be deemed given upon delivery, or if given by mail, upon receipt or if sent by next day delivery by a nationally recognized overnight courier service, on the next business day. Notice shall be delivered or mailed to the parties at the following addresses or at such other places as a party shall designate in writing:

- If to the Company: Prospect CharterCare, LLC  
825 Chalkstone Avenue  
Providence, RI 02908  
Attention: Ken Belcher, Chief Executive Officer
- with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq
- with a copy to: Prospect Medical Holdings, Inc.  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Samuel S. Lee, Chief Executive Officer
- If to Manager: Prospect East Hospital Advisory Services, LLC  
10780 Santa Monica Boulevard, Suite 400  
Los Angeles, CA 90025  
Attention: Ellen J. Shin, General Counsel
- with a copy to: Sills Cummis & Gross P.C.  
One Riverfront Plaza  
Newark, NJ 07102  
Attention: Gary W. Herschman, Esq.

ARTICLE XIV  
RECORD ACCESS AND RETENTION

14.1 Access to Records. Each party hereto shall permit, and shall ensure that any subcontractor retained by it permits, the United States Department of Health and Human Services and General Accounting Office to review appropriate books and records relating to the performance hereunder to the extent required under Section 1861(v)(1) of the Social Security Act, 42 U.S.C. Section 1395x(v)(1)(I), or any successor law or regulation for a period of four (4) years following the last day Manager provided services hereunder. The access shall be provided in accordance with the provisions of Title 42, Code of Federal Regulations, Part 420, Subpart D.

14.2 Notification. Each party shall notify the other party immediately of the nature and scope of any request for access to books and records described above and shall provide copies of any books, records or documents to the other party prior to the provision of same to any governmental agent to give such other party an opportunity to lawfully oppose such production of documents. Nothing herein shall be deemed to be a waiver of any applicable privilege (such as the attorney-client privilege) by either party.

ARTICLE XV  
MISCELLANEOUS

15.1 Choice of Law; Dispute Resolution.

(a) Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the State of Rhode Island, without giving effect to any choice or conflict of law provision or rule thereof that would require the application of any other law.

(b) Dispute Resolution. All disputes, controversies or claims that may arise among the parties, including any dispute, controversy or claim arising out of this Agreement, or any other relevant document, or the breach, termination or invalidity thereof (a "Dispute"), shall be settled solely and finally pursuant to the procedures set forth in this Section 16.1.

(i) The parties shall attempt in good faith to resolve any Dispute of whatever nature arising between the parties, promptly by negotiation (including at least one in person meeting). If the Dispute has not been resolved within thirty (30) days after delivery of a notice of a Dispute by one party to the other party, any of such parties may initiate arbitration of the Dispute as provided below.

(ii) If the Dispute has not been resolved by negotiation as provided above, then either party may submit the Dispute to binding arbitration. Such arbitration shall be conducted by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, by one neutral arbitrator, which shall be selected from a list of ten (10) potential candidates provided by JAMS' office in New York City (none of whom work or reside in Rhode Island or California, or any State contiguous to either of the foregoing). The award made by the arbitrator shall be final and binding upon the parties thereto and the subject matter, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Unless otherwise agreed by the parties, the arbitration shall be held in Providence, Rhode Island. The arbitrator shall not have the authority to award punitive or exemplary damages. Each party shall be responsible for the costs and fees of the arbitration and for its own attorneys' fees; provided, however, that the prevailing party in any such arbitration shall be entitled to recover its reasonable attorneys' fees, expert witness fees, costs and expenses (including arbitration fees) incurred in connection with the arbitration to the extent such recovery is permitted by the law(s) governing the claim(s) asserted.

(c) EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND BY JUDGE IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE)

ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

15.2 Severability. Should any provision of this Agreement be found void or unenforceable, the remainder hereof nevertheless shall continue in full force and effect. A new provision shall be amended to this Agreement that is similar to the provision found unenforceable but which is enforceable.

15.3 Approval or Consent. Except as otherwise provided herein, whenever under any provisions of this Agreement, the approval or consent of either party is required, such approval or consent shall not be unreasonably withheld, conditioned or delayed.

15.4 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof, and the parties expressly agree that this Agreement supersedes and rescinds any prior agreement between them (verbal or written) pertaining to the subject matter hereof.

15.5 No Third Party Beneficiary. Except as expressly provided in this Agreement, no person or entity that is not a party to this Agreement shall be a third party beneficiary of any rights or obligations hereunder or be entitled to enforce any of said rights or obligations.

15.6 Interpretation. The article and paragraph headings contained herein are for convenience of reference only, do not constitute part of this Agreement, and are not intended to define, limit or describe the scope of intent of any provision of this Agreement. All gender references used in this Agreement shall include all genders, and the singular shall include the plural and the plural shall include the singular whenever and as often as may be appropriate.

15.7 Force Majeure. Manager shall not be deemed to be in violation of this Agreement, and shall not be liable for any resulting claims, losses, damages, expenses and liabilities if it is prevented, hindered or delayed, either directly or indirectly, from performing any of its obligations hereunder for any reason beyond its reasonable control, including, without limitation, shortages, lack of the Company's financial resources, labor disputes, fires, storms, earthquakes, acts of God, or any statute, regulation or rule of the federal government, any state or local government or any agency thereof.

15.8 Amendments; Course of Dealing. This Agreement may only be amended or supplemented if in a writing signed by both parties. The failure of any party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

15.9 Cooperation; Further Assistance. From time to time, as and when reasonably requested by either party hereto, the other party will (at the expense of the requesting party) execute and deliver, or cause to be executed or delivered, all such documents, instruments and consents and will use reasonable efforts to take all such action as may be reasonably requested or necessary to carry out the intent and purpose of this Agreement.

15.10 Counterparts. The parties may execute this Agreement in two (2) or more counterparts, which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original instrument as against any party who has signed it.

IN WITNESS WHEREOF, the parties have executed this Agreement, through their duly authorized representatives, effective as of the date first above written.

MANAGER:

PROSPECT EAST HOSPITAL ADVISORY SERVICES, LLC,  
a Delaware limited liability company

THE COMPANY:

PROSPECT CHARTERCARE, LLC,  
a Rhode Island limited liability company

By: Prospect Medical Holdings, Inc., its Manager

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A  
FACILITIES**

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**EXHIBIT B  
MANAGEMENT SERVICES**

In consideration of the payments to be made hereunder, Manager shall from time to time and as appropriate provide, or may provide through one or more of its Affiliates, the following Management Services to Company:

**Management Oversight.**

Manager shall supervise and manage the day-to-day business affairs and operations of the Company and such other health care facilities as the parties may from time to time agree. Manager shall use commercially reasonable efforts to cause the Company's business to be conducted in a manner consistent with best practices.

**Chief Executive Officer of the Facilities.**

Ken Belcher shall be the Chief Executive Officer (the "CEO") of the Facilities and shall perform all functions and shall otherwise have all duties associated with such office. Mr. Belcher shall be subject to the supervision of senior management of Manager and shall serve as CEO until his (i) death, disability or resignation, or (ii) termination of employment in accordance with the Amended and Restated Limited Liability Company Agreement of the Company.

**Business Development/Strategy**

Manager shall with assistance of local Company management assist to develop short, medium and long-range plans, objectives and goals for the Company and shall present the plans, objectives and goals to Company for review and approval. Upon such approval, Manager shall cause Company to be operated in compliance with such plans, objectives and goals. Included in such plans, objectives and goals will be:

- Consideration of trends in the industry, make recommendations, regarding new and/or expanded services and programs, physician alignment & recruitment, IT/EMR capabilities and improvements, technology implementation, ACOs and other reform-driven strategies, and managed care strategies
- Review, assessment and recommendations of potential service consolidation and restructurings to achieve efficiencies
- Review, assessment and recommendations of new clinical service lines, programs and locations



- Review, assessment and recommendations of physician-alignment strategies, joint ventures and other strategic initiatives

### **Operations**

Manager shall cause local Company Management to develop policies and operating procedures for the Company and each of its facilities (including all departments, divisions, service lines, programs and initiatives). :

- Expenditures and Contracts. Manager will work with local Company management to analyze the Company's expenditure and spending patterns, evaluate standard procurement lifecycle methodologies including working cash vs. discount modeling, invoice synchronization and vendor payment management. Manager shall oversee local management's negotiation and execution of agreements, contracts and orders and causing local Company management to make such expenditures as Manager may deem necessary or advisable for the operation and maintenance of the Company in amounts and of the types consistent with the Company's annual budget, operational requirements and based upon sound business practices. Such expenditures and contracts would include without limitation:
  - Third party service providers
  - Supply contracts
  - Contracts with outside contractors or consultants
  - Preventive maintenance with respect to equipment and building
  - Upkeep and maintenance of the physical facilities
- Capital Expenditure Management. Manager shall cause local Company Management to provide capital expenditure evaluation and procurement including pro forma modeling, return on investment calculations, bench marking, and assumption testing.
- Supply Chain Management Manager shall provide Company access to participate in one or more of Manager's volume purchasing programs and systems to the extent that such participation does not result in a breach of the Company's existing agreements or contractual obligations. Company-related rebates/discounts will accrue to the Company.
- Reimbursement. Manager shall from time-to-time and as appropriate provide third party reimbursement strategies and consultation on strategy and compliance with all applicable reimbursement rules. Manager shall cause local Company management to prepare and submit all required cost reports and shall coordinate and file on a timely basis any appeals and/or audits. If Manager or Company determines that an outside third party is required to prepare such cost reports or that legal action is required in connection with such matters, the cost of such action is not included in the Management Fee, and any such legal action shall be paid for by Company.

- Audit. Manager shall as appropriate and its discretion conduct periodic audits of the Company and shall report the results thereof to Company. During the course of the audit, Company's local management shall provide all data as requested by Manager and/or its consultants. If Manager hires others to perform audit functions, the costs of such audit functions shall not be included in the Management Fee and shall be paid by Company. In conjunction with the audit, Manager shall provide recommendations to help ensure financial data integrity, reduce expenses, capture additional revenues, and improve cash flow..
- Legal. Manager shall provide access to its staff attorneys who shall assist Company with operational issues relating to the Company as reasonably necessary, including assistance with contract preparation and review, consultation regarding regulatory issues, transactions and litigation oversight and management. It is not intended that the Manager's or the Company's in-house legal staff handle all legal matters of the Company, and Manager shall determine when outside legal counsel would be desirable for a specific issue or matter. In such event, the Manager's in-house legal staff shall select and oversee the work of outside legal counsel so engaged. The costs of outside counsel are not included in the Management Fee and shall be paid by Company. In general, the costs of transactions and/or litigation (including the fees and costs of outside counsel relating to the evaluation of a claim, matter or dispute prior to the implementation of formal litigation) are not covered by the Management Fee. :
- Compliance Programs. Manager shall cause local Company management to develop, implement and maintain a compliance program that is committed to promoting, preventing, detecting and resolving instances of conduct that do not conform to federal or state laws..
- Treasury. Manager may at its discretion and as appropriate review cash account and bank fees for cost savings opportunities, recommend cash receipt and disbursement processes to improve efficiencies, identify and assess risk and reward profiles associated with incremental investment activities and assist management to identify and select treasury and finance system selection and systems implementation..
- Financial/Accounting. Manager shall cause local Company management to establish, maintain, and supervise the Company's accounting systems and supervise the preparation of monthly and annual statements of income and loss. Manager shall have the overall oversight and authority to make all decisions as to accounting principles and elections, whether for book or tax purposes (and such decisions may be different for each purpose) and to set up or modify record keeping, billing, and accounts payable accounting systems. Manager shall prepare the Company's annual tax return by an outside third party (the cost of which shall be the responsibility of the Company).
- Revenue Cycle Management Manager shall oversee the business operations of the Company, which shall include but not be limited to, providing recommendations regarding patient accounting and receivables management, clinical documentation, and managed care contracting, Upon Company's request, Manager shall provide additional, specialized services to focus on specific areas of revenue cycle. If such additional,

specialized services require outside resources, the cost of those resources shall be a cost of the Company.

**Human Resources** Manager shall provide advice and recommendations to the Company's human resources functions and provide employee benefits to all personnel who provide services at the Company. The cost of such benefits shall be the responsibility of the Company. Manager shall:

- Develop strategies with respect to the Company's unions, CBAs, negotiations, and other labor relations matters
- Develop and administer employee benefit plans and conditions of employment for Company
- Provide assistance with personnel, including without limitation the recruitment and retention of physicians, executive management and other medical and non-medical personnel
- Provide assistance the development and administration of human resource and payroll policies.

**Insurance** Manager shall have the responsibility and authority to enter into or cause local Company management to acquire, and enter into any contract of insurance that Manager deems necessary and proper for the protection of Company, for the conservation of Company's assets, or for any purpose convenient or beneficial to Company.

**Public Affairs**

- **Public Relations.** Manager shall provide Company with assistance in such issues as crisis communications and local and national media relations services as may be necessary to operate the public relations functions of the Company. To the extent an outside third party is used, the cost of those services shall be the responsibility of the Company.

**Additional Management Services**

The Company and Manager expressly recognize that there may be additional services provided by Manager that are not specifically set forth herein, it being the intent of the parties that all other management, financial, operations and administrative services relating to the Company provided by the Manager shall be included in "Management Services" pursuant to the provisions of this Agreement.

**EXHIBIT C  
BUSINESS ASSOCIATE AGREEMENT**

THIS BUSINESS ASSOCIATE AGREEMENT ("Agreement") is entered into as of the last date of signature (the "Effective Date") by and between Prospect CharterCare, LLC ("Covered Entity") and Prospect East Hospital Advisory Services, LLC, by and on behalf of its covered entity subsidiaries, affiliates, and related organizations (collectively, the "Business Associate").

**RECITALS**

Covered Entity and Business Associate have entered into a signed Management Services Agreement and/or other documented arrangement (collectively, the "Services Agreement") pursuant to which Business Associate provides services to Covered Entity ("Services") that may require Business Associate to access, create and use health information that is protected by state and/or federal law; and

WHEREAS, the Business Associate is obligated to protect the privacy and security of individually identifiable health information ("Protected Health Information" or "PHI") and electronic protected health information ("EPHI") created and/or maintained by Covered Entity in accordance with the Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations at 45 C.F.R. Parts 160 and 164 promulgated by the U.S. Department of Health and Human Services ("HHS"), as amended by the federal Health Information Technology for Economic and Clinical Health Act ("HITECH Act") and its implementing regulations (collectively "HIPAA"); and

WHEREAS, Covered Entity and Business Associate desire to enter into this Agreement in order to comply with HIPAA, as may be modified or amended, including future issuance of regulations and guidance by HHS, and reflect their understanding of the use, disclosure and general confidentiality obligations of Business Associate as it relates to the Services Agreement.

NOW, THEREFORE, in consideration of the mutual promises and other consideration contained in this Agreement, the parties agree as follows:

**ARTICLE XVI  
DEFINITIONS**

Capitalized terms used herein but not otherwise defined in this Agreement shall have the same meanings as set forth in HIPAA, as may be modified or amended, including future issuance of regulations and guidance by HHS.

**ARTICLE XVII  
OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE**

17.1 Business Associate agrees to not use or disclose PHI other than as permitted or required by this Agreement or as permitted or required by law.

17.2 Business Associate may use and disclose PHI for the proper management and administration of Business Associate; provided that with respect to any disclosures of PHI, such disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person. Business Associate may, in accordance with the Privacy Rule, de-identify PHI. Without limitation of the foregoing, Covered Entity acknowledges that the legal structure of the Business Associate and its affiliates, including Prospect Medical Holdings, Inc., affords the Business Associate the opportunity to be characterized for HIPAA purposes as a participant in an affiliated covered entity arrangement as part of such legal structure (“HIPAA Arrangement”), and as such Covered Entity agrees that disclosure of PHI may be made to the other participants in such HIPAA Arrangement and that such other participants in such HIPAA Arrangement may use or disclose PHI, only in compliance with the terms of this Agreement.

17.3 Business Associate agrees to use appropriate physical and technical safeguards to prevent the use or disclosure of Covered Entity’s PHI for any purpose other than the provision of Services under this Agreement.

17.4 Upon written request from the Covered Entity, Business Associate agrees to report to Covered Entity, in writing, any use or disclosure of PHI not in compliance with this Agreement.

17.5 In the event Business Associate engages any agent or subcontractor to perform the services under this Agreement and discloses PHI to such agent or subcontractor, Business Associate will require any such agent or subcontractor to agree to the same restrictions and conditions required in this Agreement.

17.6 Upon written request from the Covered Entity, Business Associate agrees to make PHI available to individuals in accordance with 45 CFR Section 164.524 of HIPAA governing access of individuals to PHI.

17.7 Upon written request from the Covered Entity, Business Associate agrees to make PHI available for amendment and incorporate any amendments in accordance with 45 CFR Section 164.526 of HIPAA governing amendments to PHI.

17.8 Upon written request from the Covered Entity, Business Associate agrees to make any and all information available for the purpose of providing patients an accounting of disclosures in accordance with 45 CFR Section 164.528 of HIPAA governing accounting for disclosures.

17.9 Business Associate agrees to make its internal practices, books and records related to the use and disclosure of PHI received from, created or received by Business Associate on behalf of Covered Entity, available to the Secretary of HHS and the HHS Office for Civil Rights for the purposes of determining Covered Entity’s compliance with HIPAA.

17.10 Business Associate shall implement and maintain safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that it creates, receives, maintains or transmits on behalf of Covered Entity.

17.11 Business Associate and Covered Entity agree to comply with all applicable rules and regulations promulgated under HIPAA in effect during the term of this Agreement.

17.12 Business Associate will report to Covered Entity within a reasonable time period of discovery, any (a) Security Incident, or (b) Security Breach as defined at 45 C.F.R. Part 164, Subpart D. Business Associate may supplement its initial report as information becomes available in order to identify:

- (a) The nature of the non-permitted use or disclosure including how such use or disclosure was made;
- (b) The unsecured PHI used or disclosed;
- (c) If possible and applicable, the identity of the person/entity who received the unsecured PHI;
- (d) What corrective action Business Associate took;
- (e) What Business Associate did to mitigate any deleterious effect; and
- (f) Such other information as Covered Entity may request.

17.13 At all times during the term of this Agreement, Business Associate will comply with all applicable federal, state and local laws, rules and regulations pertaining to patient records and the confidentiality of patient information, including Covered Entity's PHI. Business Associate acknowledges that HITECH imposes new requirements on business associates with respect to the privacy and security of PHI and notification of breaches involving Unsecured PHI. Business Associate contemplates that such requirements shall be implemented by regulations to be adopted by HHS, and agrees to comply with such regulations commencing on the applicable effective date. Business Associate and Covered Entity each further agree that the provisions of HIPAA and HITECH, including the HITECH BA Provisions, that apply to business associates and that are required to be incorporated into a HIPAA business associate agreement are hereby incorporated into this Agreement as if set forth in this Agreement in their entirety and are effective as of the applicable effective date.

#### ARTICLE XVIII OBLIGATIONS OF COVERED ENTITY

18.1 Covered Entity will notify Business Associate of any agreement Covered Entity makes regarding any restriction or requirement for confidential communication with respect to the use or disclosure of PHI, to the extent that such restriction agreement or confidential communication requirement may affect Business Associate's use or disclosure of PHI.

18.2 Covered Entity will: (i) use safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate, until such PHI is received by Business Associate; and (ii) inform Business Associate of any consent or authorization, including any changes in or withdrawal of any such consent or authorization, provided to the Covered Entity by an individual.

ARTICLE XIX  
TERM AND TERMINATION

19.1 This Agreement shall remain in effect until such time as the Services Agreement expires or is terminated.

(a) Except for the requirements set forth in Section 4.2, which shall survive as set forth therein, and except as otherwise provided in Section 4.1(b), this Agreement will terminate on the date that the Services Agreement is terminated or expires.

(b) This Agreement may be terminated by Covered Entity upon the breach of any material provision of this Agreement by Business Associate, which breach is not corrected within thirty (30) days after written notice of such breach is given to Business Associate. If cure of the breach and termination of this Agreement is not feasible, Covered Entity may report the breach to HHS as required by law.

19.2 Business Associate agrees that, upon termination of the Services Agreement and this Agreement, Business Associate will return or destroy all PHI received from or created or received on behalf of Covered Entity. In the event Business Associate determines that return or destruction is not feasible, Business Associate will extend the protections required in this Agreement to the PHI and limit further uses and disclosures to only those purposes that make the return or destruction of the information infeasible.

ARTICLE XX  
MISCELLANEOUS

20.1 Regulatory References. A reference to HIPAA or the HITECH Act, or a section thereof, and its regulations and requirements means the provisions and section(s) in effect, as may be modified or amended, including issuance of regulations and guidance by HHS.

20.2 Amendment. Both parties agree that the provisions of HIPAA and the HITECH Act, including provisions to be adopted by HHS which apply to business associates and that are required to be incorporated into a HIPAA business associate agreement, are hereby incorporated into this Agreement as if set forth in this Agreement in their entirety and are effective as of the applicable effective date. Notwithstanding the foregoing, the parties agree to take such action as is required by law to amend this Agreement pursuant to final regulation or amendment of HIPAA and the HITECH Act.

20.3 Notices. Any notices to be delivered hereunder shall be delivered to the addresses set forth in and consistent with the requirements for delivery contained in, the Services Agreement; provided, that a copy of any notice to Covered Entity hereunder shall also be delivered to: Prospect East Hospital Advisory Services, LLC, 10780 Santa Monica Blvd., Suite 400, Los Angeles, CA 90025, Attention: Privacy Office. Notice shall be in writing and shall be deemed effective when personally delivered or, if mailed, three (3) calendar days after the date deposited in the United States mail, first class, postage prepaid, to the addressee at its current business address.

20.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and when taken together shall constitute one agreement.

20.5 Choice of Law. All issues and questions concerning the validity, enforcement and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the state identified in the Services Agreement.

20.6 Voluntary Execution. Each party has read and understands this Agreement, and represents that this Agreement is executed voluntarily and should not be construed against any party hereto solely because it drafted all or a portion hereof.

20.7 Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision and this Agreement will be reformed, construed, and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

20.8 No Modification. No modification of this Agreement will be effective unless made in writing and executed by each party hereto, except as otherwise provided hereunder.

20.9 Entire Agreement. This Agreement supersedes any and all prior agreements and understandings between the parties related to the subject matter hereof.

20.10 Independent Contractor. None of the provisions of this Agreement are intended to create any relationship between the parties other than that of independent entities contracting with each other for the purpose of effecting the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Business Associate Agreement to be executed and delivered as of the day and year first above written.

COVERED ENTITY:

BUSINESS ASSOCIATE:

PROSPECT CHARTERCARE, LLC

PROSPECT EAST HOSPITAL  
ADVISORY SERVICES, LLC

By: Prospect Medical Holdings, Inc., its  
manager

SPECIMEN – DO NOT SIGN

SPECIMEN – DO NOT SIGN

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
ITS: \_\_\_\_\_  
DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
ITS: \_\_\_\_\_  
DATE: \_\_\_\_\_



**EXHIBIT D**  
**JOINDER TO MANAGEMENT SERVICES AGREEMENT**  
[Insert Date]

Reference is made to the Management Services Agreement dated [\_\_\_\_], 2013 (the “Agreement”) by and between Prospect East Hospital Advisory Services, LLC, a Delaware limited liability company (hereinafter referred to as “Manager”), and Prospect CharterCare, LLC, a Rhode Island limited liability company (hereinafter referred to as the “Company”).

The undersigned hereby acknowledges that the undersigned will benefit directly from the Agreement. In consideration thereof, the undersigned agrees with and guarantees to Manager and the Company that the undersigned shall abide by the terms and conditions of the Agreement, including without limitation the covenants contained in ARTICLE [\_\_\_\_] of the Agreement, as if an original party to the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Joinder as of the date first set forth above.

[\_\_\_\_]

SPECIMEN – DO NOT SIGN

By: \_\_\_\_\_

Acknowledged:

PROSPECT CHARTERCARE, LLC

SPECIMEN – DO NOT SIGN

By: \_\_\_\_\_

Its:

Acknowledged:

PROSPECT EAST HOSPITAL ADVISORY  
SERVICES, LLC

SPECIMEN – DO NOT SIGN

By: \_\_\_\_\_

Its:

**Exhibit I**  
**FIRPTA Certificates**

*See Attached*

**EXHIBIT I**

**FORM OF FIRPTA CERTIFICATE**

**NON-FOREIGN CERTIFICATION**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by \_\_\_\_\_, a Rhode Island corporation (the "Transferor"), the undersigned hereby certifies as follows:

1. Undersigned is the Secretary of Transferor.
2. Transferor is not a foreign corporation, foreign partnership, foreign estate, foreign person or non-resident alien (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).
3. Transferor is not a disregarded entity as defined by Income Tax Regulations Section 1.1445-2(b)(2)(iii).
4. Transferor's Employer Identification Number is \_\_\_\_\_.
5. Transferor's address is:           c/o CharterCARE Health Partners  
  825 Chalkstone Avenue  
  Providence, RI 02908

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement herein could be punished by fine, imprisonment or both. The undersigned further understands that transferee is relying on this certification in determining whether or not withholding is required upon the subject transfer.

Under penalties of perjury, the undersigned declares that he has examined this certification and to the best of his knowledge and belief it is true, correct and complete, and he has the authority to sign this document on behalf of Transferor.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this certificate as of this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

In \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me personally appeared \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_, a Rhode Island corporation, to me known and known by me to be the party executing the foregoing instrument on behalf of \_\_\_\_\_, and s/he acknowledged said instrument, by her/him executed to be her/his free act and deed in said capacity and the free act and deed of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_

**Exhibit J**  
**Limited Power of Attorney**

*See Attached*

## EXHIBIT J

### Form of Limited Power of Attorney

\_\_\_\_\_ (“Registrant”) is licensed to operate a [pharmacy/laboratory] under the laws of the State of Rhode Island under license number [ ], maintains a state controlled substances registration certificate under license number [ ], and maintains a controlled substances registration certificate under DEA registration number [ ]. This Limited Power of Attorney is being delivered pursuant to that certain Asset Purchase Agreement, dated September 24, 2013, by and among Registrant, Company, and certain other parties (the “Asset Purchase Agreement”).

1. To the extent permitted by applicable law:

(a) I, \_\_\_\_\_ (name of person granting power), the undersigned, who am authorized to sign the current application for DEA registration on behalf of the above-named Registrant under the Controlled Substances Act or Controlled Substances Import and Export Act, have made, constituted, and appointed, and by these presents, do make, constitute, and appoint \_\_\_\_\_ (the “Company”), my true and lawful attorney-in-fact for me in my name, place, and stead, to execute applications for Forms 222 and to sign orders for Schedule I and II controlled substances, whether these orders be on Form 222 or electronic, in accordance with 21 U.S.C. § 828 and Part 1305 of Title 21 of the Code of Federal Regulations, for the Limited Period described in paragraph 3 below. I hereby ratify and confirm all that the Company must lawfully do or cause to be done by virtue hereof.

(b) The Company shall have the right, for the Limited Period described in paragraph 3 below, to operate under the licenses and registrations of Registrant relating to controlled substances and the operations of the [pharmacy/laboratory], until it is able to obtain such licenses and registrations for itself.

2. Registrant recognizes that it remains legally responsible for the DEA registration issued to it, during the period in which this Limited Power of Attorney is in effect. Therefore, Registrant grants this Limited Power of Attorney to the Company based upon the following covenants and warranties of the Company: (a) the Company shall follow and abide by and comply with all federal and state laws governing the regulation of controlled substances and the operation of the [pharmacy/laboratory] at all times while utilizing this Limited Power of Attorney and shall indemnify and hold the Registrant harmless from and against any claims arising out of the Company’s failure to do so; and (b) the Company, or its designee, shall make application for and pursue its own [pharmacy/laboratory] licenses and DEA and other registrations which are required by law as soon as practicable.

3. This Limited Power of Attorney shall remain in effect for a period not to exceed one hundred twenty (120) days following the closing date of the Asset Purchase Agreement (the “Limited Period”).

4. Registrant may revoke this Limited Power of Attorney at any time by executing the Notice of Revocation, attached hereto at Exhibit A.

This Limited Power of Attorney may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on all of the parties hereto.

IN WITNESS WHEREOF, Registrant and the Company have executed this Limited Power of Attorney as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_, to be effective as of 12:01 a.m. Eastern Time on the \_\_\_\_ day of \_\_\_\_\_, 201\_.

By: \_\_\_\_\_ By: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Witness: \_\_\_\_\_ Witness: \_\_\_\_\_

Witness: \_\_\_\_\_ Witness: \_\_\_\_\_

**Exhibit A**

The Limited Power of Attorney, executed on \_\_\_\_\_, is hereby revoked by the undersigned, who is authorized to sign the current application for DEA registration. Written notice of this revocation has been given to the attorney-in-fact this same day.

By:

Name:

Title:

Witness:

Witness:



**Exhibit K**

**Charity Care/Financial Assistance Policy**

*See Attached*

<b>ROGER WILLIAMS MEDICAL CENTER</b> HOSPITAL POLICY AND PROCEDURE		TITLE:		Number
Coverage For Uninsured & Under-Insured Patients Receiving Services at Roger Williams Medical Center		<b>Financial Assistance Policy</b>		Source <b>Patient Financial Services</b>
				Approved
Date Issued 03/09/2011	Date Effective 03/09/2011	Updated 2/17/06, 3/4/11, 3/1/12, 2/4/13	Distribution See Below	Page 1 of 3

It is the policy of Roger Williams Medical Center, a voluntary not-for-profit corporation, to provide medically necessary/essential health services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital.

**Purpose:**

Roger Williams Medical Center provides Financial Assistance to patients who meet specified financial criteria and request such assistance. Consideration will be given to a patient's financial status, including indebtedness for existing medical bills, pursuant to state regulation. Roger Williams Medical Center will provide public "Notice of Hospital Financial Aid" (Attachment A) on the Hospital's website, at appropriate intake/registration locations, and make notice of availability to patients on patient bills. Roger Williams Medical center shall provide its "Financial Aid Criteria" (Attachment B) for qualifying patients/guarantors for financial assistance including partial assistance. Roger Williams Medical Center will make these notices available in other languages in accordance with the "Standards for Culturally and Linguistically Appropriate Services in Health Care" (Standards 4 & 7, based on Title VI of the Civil Rights Act of 1964).

Financial Assistance may be extended when a review of a patient's individual financial circumstance has been conducted and documented. This should include a review of the patient's existing medical bills (including any accounts that have gone to bad debt within twelve (12) months of application date).

**Procedure:**

Patients who qualify for Financial Assistance should be identified as soon as possible in the revenue cycle. Patients requiring medically necessary/essential healthcare services, who are identified as being without federal, state, local, or private healthcare coverage, shall receive the following:

- Financial Assistance counseling along with a packet of information that addresses the Financial Assistance policy and procedure, including an application for assistance.
1. An evaluation for Financial Assistance can be initiated by:
    - A call from a patient with a self-pay balance due, taken by any RWMC employee or vendor.
    - A patient presents at a clinical area without insurance and states that he/she cannot afford to pay the medical expenses associated with current or previous medical services.
    - A physician or other clinician refers a patient for financial assistance evaluation.
  2. The Hospital will designate a person(s) who will be responsible for taking Financial Assistance applications. Designees can be employees of RWMC or their associated vendors.
  3. Criteria to be met for Financial Assistance Approval:
    - a. Residency – Financial Assistance is intended for uninsured or underinsured low-income Rhode Island residents.
    - b. Income – For 100% Discount, income must not exceed 200% of the current Federal Poverty Guideline.
    - c. Income – For Sliding Scale Discounts (20-80%), income must not exceed 201-300% of the current Federal Poverty Guideline.
    - d. Assets – Cannot exceed the assets protection threshold which is updated annually.  
Current Protection Threshold: \$9,400.00 Individual and \$14,100.00 per family. (Updated 02/2013)  
Types of Assets Considered but not limited to:
      - Investments that could be converted to cash within one (1) year
      - Savings or Checking Accounts
      - Certificates of Deposit
      - Money-Market Accounts
      - Property – other than primary residence
    - e. All insurance benefits have been exhausted.

<b>Roger Williams Medical Center</b> <b>HOSPITAL POLICY &amp; PROCEDURE</b>	Date Effective <b>03/09/2011</b>	Page 2 of 3	Number
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4. A patient can qualify for Financial Assistance either through lack of sufficient insurance or excessive medical expenses. Once a patient has submitted all required information, the Financial Counselor will review and analyze the application and forward it to the Patient Financial Services Department for final determination of eligibility based on applicable guidelines. Financial Assistance will be denied to patients/guarantors who do not fully cooperate in applying for available coverage, or who fail to provide the information and documentation necessary to apply for financial assistance; with the exception of Presumptive Charity Care Eligibility. In such cases where the patient/guarantor is not cooperative, Roger Williams Medical Center may place the outstanding account in bad debt status and pursue collections accordingly.
5. A department can continue to use a government-sponsored application process and associated income scale, as required by the terms of a program grant or other outside authority governing that program.
6. Once a patient is approved for Financial Assistance, it is expected that the patient/guarantor will continue to meet his/her required financial commitments to Roger Williams Medical Center. If a patient is approved for a percentage allowance (partial charity) due to financial hardship and the patient does not make the required initial payment within thirty (30) days towards the outstanding balance, the Financial Assistance allowance will be reversed and the patient will owe the entire amount.
7. If the patient/guarantor has a change in financial status, the patient/guarantor should promptly notify the Hospital. The patient/guarantor may request and apply for financial assistance or a change in their payment plan terms.

**Medical Indigence:**

A patient's medical indigence is determined by Roger Williams Medical Center by giving exclusive consideration to a patient's income level in relation to the amount of their medical bills. Medically indigent patients are those who do not have appropriate insurance coverage that applies to services related to their significant or catastrophic health care requirements. Such patients may have a reasonable level of income but a low level of liquid assets and payment of their medical bills would be seriously detrimental to their basic financial well-being and survival. Roger Williams Medical Center shall make a decision regarding a patient/guarantor's medically indigent status by reviewing formal documentation for any circumstance in which a patient is considered eligible for a financial assistance discount on the basis of medical indigence.

In addition to the required information to be considered for financial assistance the following documents may be required to support medical indigence:

- Copies of all patient/guarantor medical bills.
- Information related to the patient's prescription drug costs.
- Multiple instances of high-dollar patient co-pays, deductibles, and/or other medical liabilities.
- Other evidence of high-dollar amounts related to healthcare costs such as documentation of a HSA that has been fully expended.

**Presumptive Charity Care Eligibility:**

There are instances when a patient may appear eligible for charity care discounts; however, a financial assistance form cannot be completed due to a lack of supporting documentation. Often there is adequate information provided by the patient or other sources that could provide Roger Williams Medical Center with sufficient evidence that the patient would otherwise qualify for a financial assistance discount. Once eligibility has been determined, due to the inherent nature of the presumptive circumstances, a financial assistance discount of 100% of the account balance will be granted.

Presumptive eligibility may be determined on the basis of a patient's life circumstances that may include the following:

- Homeless or living in a shelter.
- No income.
- Participation in Women's Infant's, and Children's programs (WIC).
- Food stamp eligibility.
- Eligibility for other state or local assistance programs that are unfunded (e.g.; Medicaid spend-down).
- Documentation provided by family or friends of the patient establishing the patient's inability to pay for medical care (e.g.; letter of support).
- Low income/subsidized housing is provided as a valid address.
- Patient is deceased with no known estate.
- If the patient is mentally or physically incapacitated and has no one to act on his/her behalf.
- Participation in the SSTAR Program

<b>Roger Williams Medical Center</b> HOSPITAL POLICY & PROCEDURE	Date Effective 03/09/2011	Page 3 of 3	Number
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**Appeal Rights of Patient/Guarantors:**

If a patient/guarantor disagrees with the denial of financial assistance decision, the patient/guarantor may request in writing an appeal within forty-five (45) business days of receiving notification. The denial letter will advise the patient that he or she has the right to appeal the decision and that the patient will be provided the information necessary to file a written appeal. The Director of Patient Financial Services will review all appeals and make a final decision regarding the financial assistance. The final decision will be communicated to the patient/guarantor in writing within fourteen (14) business days. Collection activity halted as a result of the financial assistance process will continue to be halted during the appeal process until the committee makes a final determination.

**Financial Assistance Signature Authority:**

Supervisor/Manager/Director – Patient Financial Services  
 VP Finance  
 Chief Financial Officer

**Recording of Financial Assistance:**

Roger Williams Medical Center shall provide the Rhode Island Department of Health (on an annual basis or as required by the Director) information including but not limited to:

- The “Annual Financial-Aid Data Filing
- The public “Notice of Hospital Financial Aid”
- HIPAA Compliant Bill including the public “Notice of Hospital Financial Assistance”
- The “Notice of Financial Aid Criteria”
- The “Application for Financial Assistance”
- The Hospital’s adopted Appeals Process
- The Hospital’s adopted Collections Process

<b>St. Joseph Health Services of Rhode Island</b> HOSPITAL POLICY AND PROCEDURE		TITLE:		Number
Coverage For Uninsured & Under-Insured Patients Receiving Services at St. Joseph Health Services of Rhode Island		<b>Financial Assistance Policy</b>		01-950-92
				Source <b>Administration</b>
Date Issued 03/09/2011	Date Effective 04/01/2007	Updated 03/01/2012, 2/4/2013	Distribution See Below	Approved Page 1 of 3

It is the policy of St. Joseph Health Services of Rhode Island, a voluntary not-for-profit corporation, to provide medically necessary/essential health services to any person regardless of his/her ability to pay in full or in part for those services provided by the Hospital.

**Purpose:**

St. Joseph Health Services of Rhode Island provides Financial Assistance to patients who meet specified financial criteria and request such assistance. Consideration will be given to a patient's financial status, including indebtedness for existing medical bills, pursuant to state regulation. St. Joseph Health Services of Rhode Island will provide public "Notice of Hospital Financial Aid" (Attachment A) on the Hospital's website, at appropriate intake/registration locations, and make notice of availability to patients on patient bills. St. Joseph Health Services of Rhode Island shall provide its "Financial Aid Criteria" (Attachment B) for qualifying patients/guarantors for financial assistance including partial assistance. St. Joseph Health Services of Rhode Island will make these notices available in other languages in accordance with the "Standards for Culturally and Linguistically Appropriate Services in Health Care" (Standards 4 & 7, based on Title VI of the Civil Rights Act of 1964).

Financial Assistance may be extended when a review of a patient's individual financial circumstance has been conducted and documented. This should include a review of the patient's existing medical bills (including any accounts that have gone to bad debt within twelve (12) months of application date).

**Procedure:**

Patients who qualify for Financial Assistance should be identified as soon as possible in the revenue cycle. Patients requiring medically necessary/essential healthcare services, who are identified as being without federal, state, local, or private healthcare coverage, shall receive the following:

- Financial Assistance counseling along with a packet of information that addresses the Financial Assistance policy and procedure, including an application for assistance.
1. An evaluation for Financial Assistance can be initiated by:
    - A call from a patient with a self-pay balance due taken by any SJHSRI employee or vendor.
    - A patient presents at a clinical area without insurance and states that he/she cannot afford to pay the medical expenses associated with current or previous medical services.
    - A physician or other clinician refers a patient for financial assistance evaluation.
  2. The Hospital will designate a person(s) who will be responsible for taking Financial Assistance applications. Designees can be employees of SJHSRI or their associated vendors.
  3. Criteria to be met for Financial Assistance Approval:
    - a. Residency – Financial Assistance is intended for uninsured or underinsured low-income Rhode Island residents.
    - b. Income – For 100% Discount, income must not exceed 200% of the current Federal Poverty Guideline.
    - c. Income – For Sliding Scale Discounts (20-80%), income must not exceed 201-300% of the current Federal Poverty Guideline.
    - d. Assets – Cannot exceed the assets protection threshold which is updated annually.  
Current Protection Threshold: \$9,400.00 Individual and \$14,100.00 per family. (Updated 02/2013)  
Types of Assets Considered but not limited to:
      - Investments that could be converted to cash within one (1) year
      - Savings or Checking Accounts
      - Certificates of Deposit
      - Money-Market Accounts
      - Property – other than primary residence
    - e. All insurance benefits have been exhausted.

<b>St. Joseph Health Services of Rhode Island</b> <b>HOSPITAL POLICY &amp; PROCEDURE</b>	Date Effective 4/1/07	Page 2 of 3	Number 01-950-92
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4. A patient can qualify for Financial Assistance either through lack of sufficient insurance or excessive medical expenses. Once a patient has submitted all required information, the Financial Counselor will review and analyze the application and forward it to the Patient Financial Services Department for final determination of eligibility based on applicable guidelines. Financial Assistance will be denied to patients/guarantors who do not fully cooperate in applying for available coverage, or who fail to provide the information and documentation necessary to apply for financial assistance; with the exception of Presumptive Charity Care Eligibility. In such cases where the patient/guarantor is not cooperative, St. Joseph Health Services of Rhode Island may place the outstanding account in bad debt status and pursue collections accordingly.
5. A department can continue to use a government-sponsored application process and associated income scale, as required by the terms of a program grant or other outside authority governing that program.
6. Once a patient is approved for Financial Assistance, it is expected that the patient/guarantor will continue to meet his/her required financial commitments to St. Joseph Health Services of Rhode Island. If a patient is approved for a percentage allowance (partial charity) due to financial hardship and the patient does not make the required initial payment within thirty (30) days towards the outstanding balance, the Financial Assistance allowance will be reversed and the patient will owe the entire amount.
7. If the patient/guarantor has a change in financial status, the patient/guarantor should promptly notify the Hospital. The patient/guarantor may request and apply for financial assistance or a change in their payment plan terms.

**Medical Indigence:**

A patient's medical indigence is determined by St. Joseph Health Services of Rhode Island by giving exclusive consideration to a patient's income level in relation to the amount of their medical bills. Medically indigent patients are those who do not have appropriate insurance coverage that applies to services related to their significant or catastrophic health care requirements. Such patients may have a reasonable level of income but a low level of liquid assets and payment of their medical bills would be seriously detrimental to their basic financial well-being and survival. St. Joseph Health Services of Rhode Island shall make a decision regarding a patient/guarantor's medically indigent status by reviewing formal documentation for any circumstance in which a patient is considered eligible for a financial assistance discount on the basis of medical indigence.

In addition to the required information to be considered for financial assistance the following documents may be required to support medical indigence:

- Copies of all patient/guarantor medical bills.
- Information related to the patient's prescription drug costs.
- Multiple instances of high-dollar patient co-pays, deductibles, and/or other medical liabilities.
- Other evidence of high-dollar amounts related to healthcare costs such as documentation of a HSA that has been fully expended.

**Presumptive Charity Care Eligibility:**

There are instances when a patient may appear eligible for charity care discounts; however, a financial assistance form cannot be completed due to a lack of supporting documentation. Often there is adequate information provided by the patient or other sources that could provide St. Joseph Health Services of Rhode Island with sufficient evidence that the patient would otherwise qualify for a financial assistance discount. Once eligibility has been determined, due to the inherent nature of the presumptive circumstances, a financial assistance discount of 100% of the account balance will be granted.

Presumptive eligibility may be determined on the basis of a patient's life circumstances that may include the following:

- Homeless or living in a shelter.
- No income.
- Participation in Women's Infant's, and Children's programs (WIC).
- Food stamp eligibility.
- Eligibility for other state or local assistance programs that are unfunded (e.g.; Medicaid spend-down).
- Documentation provided by family or friends of the patient establishing the patient's inability to pay for medical care (e.g.; letter of support).
- Low income/subsidized housing is provided as a valid address.
- Patient is deceased with no known estate.
- If the patient is mentally or physically incapacitated and has no one to act on his/her behalf.
- Participation in the SSTAR Program

<b>St. Joseph Health Services of Rhode Island</b> HOSPITAL POLICY & PROCEDURE	Date Effective 4/1/07	Page 3 of 3	Number 01-950-92
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**Appeal Rights of Patient/Guarantors:**

If a patient/guarantor disagrees with the denial of financial assistance decision, the patient/guarantor may request in writing an appeal within forty-five (45) business days of receiving notification. The denial letter will advise the patient that he or she has the right to appeal the decision and that the patient will be provided the information necessary to file a written appeal. The Director of Patient Financial Services will review all appeals and make a final decision regarding the financial assistance. The final decision will be communicated to the patient/guarantor in writing within fourteen (14) business days. Collection activity halted as a result of the financial assistance process will continue to be halted during the appeal process until the committee makes a final determination.

**Financial Assistance Signature Authority:**

Supervisor/Manager/Director – Patient Financial Services  
VP Finance  
Chief Financial Officer

**Recording of Financial Assistance:**

St. Joseph Health Services of Rhode Island shall provide the Rhode Island Department of Health (on an annual basis or as required by the Director) information including but not limited to:

- The “Annual Financial-Aid Data Filing
- The public “Notice of Hospital Financial Aid”
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- The “Notice of Financial Aid Criteria”
- The “Application for Financial Assistance”
- The Hospital’s adopted Appeals Process
- The Hospital’s adopted Collections Process

## Exhibit L

### Essential Services

1. The Company and the Company Subsidiaries shall cause each Hospital to maintain a 24-hour emergency department that complies with applicable federal and state laws with respect to the evaluation and treatment of patients who present or are determined to have an emergency medical condition, or who, in the judgment of a staff physician, have an immediate emergency need; no emergency patient shall be turned away from the Hospitals because of age, race, gender, insurance status, inability to pay or any other non-clinical factor that is not relevant to the provision of medical services; provided, however, that the foregoing provisions of this Exhibit L shall be subject in all respects to changes in governmental policy.
2. In addition to the foregoing, Essential Services to be provided by the Company and the Company Subsidiaries, collectively, shall consist of the following:
  - Medical/Surgical Services and Intensive/Coronary Care Unit
  - Acute Dialysis Services
  - Inpatient and Outpatient Rehabilitation Services, including Sub-acute and Skilled Nursing facility
  - Ambulatory Care Services
  - Emergency Services
  - Inpatient and Outpatient Psychiatric/Mental Health/Addiction Medicine Services
  - Diagnostic Imaging and Interventional/Radiology Services, including diagnostic cardiac catheterization
  - Laboratory/Pathology
  - Inpatient and Outpatient Cancer Services including Blood and Marrow Transplantation/Surgical and Radiation Oncology
  - Sleep Lab
  - Wound Care/Hyperbaric Services
  - Dermatology
  - Health center services (GYN & pediatric clinic, adult and pediatric dentistry, immunizations, WIC)
  - Homecare/Hospice services



**Exhibit M**  
**Catholicity Standards for Legacy SJHSRI Locations**

**SJHSRI Locations:**

Any and all facilities owned or operated by SJHSRI immediately prior to Closing, including without limitation Our Lady of Fatima Hospital ("SJHSRI Locations").

**Standards:**

1. Each SJHSRI Location (as defined above) shall be operated in full compliance with the Ethical and Religious Directives for Catholic Health Care Services as promulgated by the United States Conference of Catholic Bishops and adopted by the Bishop of the Roman Catholic Diocese of Providence, Rhode Island (the "Bishop"), as the same may be amended from time to time (the "ERDs"). The Bishop shall be the sole arbiter with respect to matters relating to compliance with the ERDs at the SJHSRI Locations.
2. At Our Lady of Fatima Hospital, the existing chapel shall be maintained in good condition and repair as a Catholic Chapel with the Blessed Sacrament, and the Roman Catholic priest chaplaincy program shall be maintained. Both of the foregoing shall be financially supported from budgeted revenues.
3. The existing signs, symbols and images of Catholic identity at each SJHSRI Location, both interior and exterior to the facilities, shall be maintained and financially supported from budgeted revenues.
4. The Company's chief executive shall meet with the Bishop on an annual basis to report on compliance with the foregoing.
5. Notwithstanding any provision in this Agreement to the contrary, the obligations set forth in this Exhibit M are for the specific benefit of the Bishop. The parties acknowledge and agree that any breach of the foregoing covenants shall cause irreparable harm as to which no adequate remedy at law exists and that the Bishop may seek specific performance and injunctive relief in addition to all other remedies in equity or at law. As provided in Section 15.5(b) of this Agreement, if, in such circumstances, the Bishop is unsuccessful in obtaining specific performance and/or injunctive relief, the Company and the Company Subsidiaries shall, if requested by the Bishop in his sole discretion, cease operating under the names "St. Joseph" or "Our Lady of Fatima" or any other name that implies Catholicity.
6. Notwithstanding the foregoing, no provision of this Agreement shall be effective or enforceable if and to the extent that it may cause the Company or a Company Subsidiary, or any facility owned or operated thereby, to be in violation of applicable law or regulations or to be out of compliance with Medicare or Medicaid certification or participation requirements or The Joint Commission's standards of accreditation. The provision of such laws, regulations or participation criteria shall supersede the covenants set forth in this Exhibit M to the minimum extent necessary to comply with such laws, regulations and participation criteria.

## Exhibit N

### Services Restrictions for Other Company Locations

#### Company Locations:

Any and all facilities owned or operated by the Company or a Company Subsidiary other than the SJHSRI Locations described in Exhibit M, including Roger Williams Medical Center and any other facilities owned, operated or acquired by the Company or a Company Subsidiary following the Closing Date ("Company Locations").

#### Standards:

1. No Company Location (as defined above) shall cause or permit the following procedures, as defined below (collectively, the "Prohibited Procedures"), to be performed anywhere in its facilities or as part of its operations:
  - Abortion (including embryo reduction or any like procedure) and research involving embryo destruction
    - *Definition:* "Abortion" means the directly intended termination of pregnancy before viability or the directly intended destruction of a viable fetus. Every procedure the sole immediate effect of which is the termination of pregnancy before viability is an abortion, which, in its moral context, includes the interval between conception and implantation of the embryo.
  - Euthanasia
    - *Definition:* "Euthanasia" means an action or omission that of itself or by intention causes the death of an individual in order to alleviate all suffering.
  - Physician-Assisted Suicide
    - *Definition:* "Physician-Assisted Suicide" means euthanasia attended by a physician.
2. The Company's chief executive shall meet with the Bishop of the Roman Catholic Diocese of Providence, Rhode Island (the "Bishop") on an annual basis to report on compliance with the foregoing and, more broadly, on the activities and operations of the Company and the Company Subsidiaries.
3. Notwithstanding any provision in this Agreement to the contrary, the obligations set forth in this Exhibit N are for the specific benefit of the Bishop. The parties acknowledge and agree that any breach of the foregoing covenants shall cause irreparable harm as to which no adequate remedy at law exists and that the Bishop may seek specific performance and

injunctive relief in addition to all other remedies in equity or at law. As provided in Section 15.5(b) of this Agreement, if, in such circumstances, the Bishop is unsuccessful in obtaining specific performance and/or injunctive relief, the Company and the Company Subsidiaries shall, if requested by the Bishop in his sole discretion, cease operating under the names "St. Joseph" or "Our Lady of Fatima" or any other name that implies Catholicity.

4. Notwithstanding the foregoing, no provision of this Agreement shall be effective or enforceable if and to the extent that it may cause the Company or a Company Subsidiary, or any facility owned or operated thereby, to be in violation of applicable law or regulations or to be out of compliance with Medicare or Medicaid certification or participation requirements or The Joint Commission's standards of accreditation. The provision of such laws, regulations or participation criteria shall supersede the covenants set forth in this Exhibit N to the minimum extent necessary to comply with such laws, regulations and participation criteria.