

PURCHASERS DISCLOSURE SCHEDULES
TO
ASSET PURCHASE AGREEMENT
BY AND AMONG
ASSET PURCHASE AGREEMENT
BY AND AMONG
DAUGHTERS OF CHARITY HEALTH SYSTEM,
O'CONNOR HOSPITAL,
SAINT LOUISE REGIONAL HOSPITAL,
ST. FRANCIS MEDICAL CENTER,
ST. VINCENT MEDICAL CENTER,
SETON MEDICAL CENTER,
CARITAS BUSINESS SERVICES,
DCHS MEDICAL FOUNDATION,
ST. VINCENT DIALYSIS CENTER,
PROSPECT MEDICAL HOLDINGS, INC.,
DCH HOSPITALS SYSTEM, LLC
PROSPECT MEDICAL SYSTEMS, INC.
PMG-DCH PHYSICIANS, INC.,
PROSPECT OCH, LLC,
PROSPECT SLRH, LLC,
PROSPECT SFMC, LLC,
PROSPECT SVMC, LLC,
PROSPECT SMC, LLC,
PROSPECT SMCC, LLC,
PROSPECT SMMOB, LLC,
PROSPECT LAMOB, LLC,
and
PROSPECT SCMOB, LLC
Dated as of [●], 2014

LIST OF SCHEDULES¹

<u>Schedule</u>	<u>Description of Schedule</u>
5.06(a)	Environmental Assessments
6.06(a)	Claims, Proceedings or Investigations
6.06(b)	Government Orders - Purchasers
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¹ Note to Draft: All schedules to be updated as necessary prior to signing.

DISCLOSURE SCHEDULES

These Disclosure Schedules (the “Disclosure Schedules”) are being delivered to Daughters of Charity Health System (“DCHS”), O’Connor Hospital, Saint Louise Regional Hospital, St. Francis Medical Center, St. Vincent Medical Center and Seton Medical Center (each a “Hospital” and collectively the “Hospitals”), Caritas Business Services (“CBS”) and DCHS Medical Foundation (“DCHSMF”) (DCHS together with the Hospitals, CBS and DCHSMF, “Sellers”) by Prospect Medical Holdings, Inc., DCH Hospitals System, LLC, Prospect Medical Systems, Inc., PMG-DCH Physicians, Inc., Prospect OCH, LLC, Prospect SLRH, LLC, Prospect SFMC, LLC, Prospect SVMC, LLC, Prospect SMC, LLC, Prospect SMCC, LLC, Prospect SMMOB, LLC, Prospect LAMOB, LLC and Prospect SCMOB, LLC (together, “Purchasers”) pursuant to that certain Asset Purchase Agreement dated as of the date hereof by and among Sellers and Purchasers (the “Agreement”). Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.

All disclosures in the Disclosure Schedules are made generally and any item disclosed in any section of the Disclosure Schedules shall be deemed to have been disclosed for any other sections of the Disclosure Schedules to the extent the Agreement requires such disclosure and so long as the applicability of such disclosure to such section is reasonably apparent on its face. The inclusion of information in the Disclosure Schedule shall not be construed as an admission that such information is material to Purchasers or Sellers. In addition, matters reflected in the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedules. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any Disclosure Schedule hereto is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item, copies of which will be made available to Sellers upon request. No disclosure in any Disclosure Schedule hereto relating to any possible breach or violation of any agreement, permit or Legal Requirement shall be construed as an admission that any such breach or violation exists or has actually occurred, or shall constitute an admission of liability to any third party.

Schedule 5.06(a)

Environmental Assessments

1. Phase I Environmental Site Assessment of Seton Coastside Hospital, 600 Marine Blvd., Moss Beach, CA, prepared by EMG, dated June 30, 2014.
2. Phase I Environmental Site Assessment of St. Louise Regional Hospital, 9400 No Name Uno, Gilroy, CA, prepared by EMG, dated July 18, 2014.
3. Phase I Environmental Site Assessment of St. Francis Medical Center, 3630 East Imperial Highway, Lynwood, CA, prepared by EMG, dated June 27, 2014.
4. Phase I Environmental Site Assessment of O'Connor Hospital Complex, 2030, 2039 2101 and 2105 Forest Avenue, San Jose, CA, prepared by EMG, dated June 27, 2014.
5. Phase I Environmental Site Assessment of Seton Medical Center Complex, 1800, 1850, and 1900 Sullivan Avenue and 1500 Southgate Avenue, Daly City, CA, prepared by EMG, dated June 25, 2014.
6. Phase I Environmental Site Assessment of Morgan Hill Medical Office Building, 18550 Saint Louise Drive, Morgan Hill, CA, prepared by EMG, dated June 27, 2014.
7. Phase I Environmental Site Assessment of Huntington Park Medical Office Building, 2700 East Slauson Avenue, Huntington Park, CA, prepared by EMG, dated June 27, 2014.
8. Phase I Environmental Site Assessment of Maywood Medical Office Building, 5953 Atlantic Boulevard, Maywood, CA, prepared by EMG, dated June 27, 2014.
9. Phase I Environmental Site Assessment of Seton Hall Convent/Guest Lodge, 262 South Lake Street, Los Angeles, CA, prepared by EMG, dated August 25, 2014.
10. Phase I Environmental Site Assessment of St. Vincent Medical Center, 2131 West 3rd Street, 201 South Alvarado Street and 2222 West Ocean View Avenue, Los Angeles, CA, prepared by EMG, dated June 30, 2014.
11. Phase I Environmental Site Assessment of Mark Taper a/k/a/ MTTC Building, 2200 West 3rd Street, Los Angeles, CA, prepared by EMG, dated August 25, 2014.

Schedule 6.06(a)

Claims, Proceedings or Investigations

None.

Schedule 6.06(b)

Government Orders - Purchasers

None.

Schedule 6.06(c)

Compliance with Government Orders - Purchasers

None.

Schedule 6.07(b)

Statements of Deficiencies

1. On February 6, 2013, a complaint validation survey was completed by the California Department of Public Health (“CDPH”). Deficiencies noted were inclusive of failure to follow policy regarding heparin administration. A Plan of Correction was submitted to and accepted by CDPH. On June 7, 2013, CDPH issued an Immediate Jeopardy citation as a result of this complaint investigation.

Schedule 6.07(c)

Hospital or Long-Term Care Licensure Denials

None.

Schedule 6.07(e)

Government Agreements

In connection with the acquisitions of Bellflower Medical Center and Newport Specialty Hospital on May 6, 2014, certain Purchasers or their Affiliates assumed the following agreements from Pacific Health Corporation:

1. Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services dated June 7, 2012.
2. Deferred Prosecution Agreement with United States Attorney's Office for the Central District of California dated April 27, 2012.

Schedule 8.12(a)

Permitted Names

[TO COME]

Schedule 10.04

Government Approvals

1. Under Section 1709(c) of Title 16 of the California Code of Regulations, it will be necessary for Purchasers to obtain with respect to any pharmacies operating within the Hospitals new pharmacy permits from the California State Board of Pharmacy prior to Closing.
2. Purchasers will submit any necessary notices and documentation to the California Department of Public Health, Radiologic Health Branch (“RHB”) for RHB’s review and approval prior to Closing.
3. Purchasers will submit the transfer of control and other information through the FCC’s Universal Licensing System, as necessary, prior to Closing.
4. Various regulatory approvals required to be obtained by Purchasers, including all licenses and permits necessary to operate the Hospitals and related business.