UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 28, 2014

APOLLO MEDICAL HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	000-25809	**46-3837784**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

700 N. Brand Blvd., Suite 220, Glendale, CA 91203
(Address of principal executive offices) (zip code)

(818) 396-8050
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On March 28, 2014, Apollo Medical Holdings, Inc. (the "Company") entered into an equity and debt investment for up to $12.0 million with NNA of Nevada, Inc. ("NNA"), an affiliate of Fresenius Medical Care North America, that included a $2.0 million investment in Company common stock being issued at $1.00 per share, $8.0 million in term and revolving loans being made available, $2.0 million in the form of a convertible note being made available, and warrants being issued for 5,000,000 shares of the Company's common stock, as described in more detail below.

As part of the investment, the Company entered into an Investment Agreement with NNA, dated March 28, 2014 (the "Investment Agreement"), pursuant to which the Company sold NNA 2,000,000 shares of the Company's common stock (the "Purchased Shares") at a purchase price of $1.00 per share. Under the Investment Agreement, for so long as NNA holds any combination of Company common stock, Convertible Note (as defined below) or Warrants (as defined below) that in the aggregate either represent or entitle Purchaser to acquire at least 2,000,000 shares of Company common stock (the "Requisite Condition"), (i) NNA shall have the right to appoint one representative to attend all meetings of the Company's Board of Directors (and each Board of Directors of the Company's subsidiaries) and any committee thereof in a nonvoting observer capacity, and (ii) NNA shall have the right to have one representative (the "NNA Director") nominated as a member of the Company's Board of Directors (and each Board of Directors of the Company's subsidiaries) and each committee thereof, including without limitation, the Company's compensation committee. The Investment Agreement also provides that, within 180 days of closing, the Company's certificate of incorporation will be amended to provide for indemnification of the members of the Company's Board of Directors (and each Board of Directors of the Company's subsidiaries) to the broadest extent permitted by applicable law. In addition, for so long as the Requisite Condition is satisfied, if the Company makes any public or non-public offering of any equity, or any other securities, warrants, options or debt that are convertible or exchangeable into equity or that include an equity component (any such security a "New Security"), NNA shall be afforded the opportunity, subject to certain exceptions, to subscribe for a pro rata share of any New Security so offered for the same price and on the same terms as such New Security is proposed to be offered to others. The Investment Agreement provides that, by the earlier of (i) 180 days of closing and (ii) 20 business days prior to the offer, sale and purchase of New Securities, the Company will amend its certificate of incorporation in order to permit NNA to exercise this right. In connection with NNA's purchase of the Purchased Shares, the Company issued NNA a Common Stock Purchase Warrant, pursuant to which NNA has the right to purchase up to 1,000,000 shares of Company common stock at an initial exercise price of $1.00 per share, subject to adjustment as provided therein (the "Investment Agreement Warrants").

As a condition to the closing of the Investment Agreement, the Company, NNA, and the Management Shareholders (as defined therein) entered into a Shareholders Agreement, dated March 28, 2014 (the "Shareholders Agreement"), which grants NNA a tag along right with respect to sales by Management Shareholders of Company common stock. In addition, each Management Shareholder agreed to cooperate with making effective, and to cause all shares of Company common stock held by such Management Shareholder and such Management Shareholder's related parties to vote in favor of, the amendments to the board-member-indemnification and securities-issuance provisions of the Company's certificate of incorporation required by the Investment Agreement. In addition, each Management Shareholder agreed to use commercially reasonable efforts to take any and all actions (including without limitation, any indirect actions, such as increasing the size of the Company's Board of Directors to accommodate the addition of the NNA Director) to support and effect the appointment or election, and reappointment or reelection, of such NNA Director and the full exercise and realization of all rights with respect to the Company's Board of Directors to which Investor is entitled pursuant to the Investment Agreement.

In connection with the Credit Agreement (as discussed below) and the Investment Agreement, the Company issued NNA a Convertible Note, dated March 28, 2014 (the "Convertible Note"), which provides that the Company may, but will not be required to, borrow the amount of $2,000,000 evidenced by the Convertible Note at any time before December 15, 2014. The outstanding principal on and accrued interest under the Convertible Note, if any, is convertible at NNA's option into shares of the Company's common stock at an initial conversion price of $1.00 per share, subject to adjustment as provided in the Convertible Note. The Convertible Note contains antidilution protection provisions in favor of NNA, including, if there is a dilutive issuance, the conversion ratio is adjusted to reflect the difference in price below $1.00, if any such issuance is below $0.90 per share. This right to antidilution protection in connection with issuances below $0.90 per share lasts until the Company's next financing that yields gross cash proceeds in an aggregate amount of at least $2.0 million or 2 years from closing, whichever is earlier. The amounts outstanding under the Convertible Note can, in some circumstances, be required to be prepaid, and can be accelerated in connection with various events of default, as set forth in the Convertible Note. The Company has agreed to pay NNA a funding fee of $20,000 if the Company borrows under the Convertible Note. In connection with NNA's purchase of the Convertible Note, the Company issued NNA a Common Stock Purchase Warrant, pursuant to which NNA has the right to purchase up to 1,000,000 shares of Company common stock at an initial exercise price of $1.00 per share, subject to adjustment as provided therein (the "Convertible Note Warrants"). NNA may exercise the Convertible Note Warrants only upon NNA making the $2,000,000 term loan to the Company pursuant to the Convertible Note.

As part of this investment, the Company entered into a Credit Agreement with NNA (the "Credit Agreement") which provides for a $1.0 million secured revolving credit facility (the "Revolving Loan") and a $7.0 million secured term loan (the "Term Loan" and together with the Revolving Loan, the "Loans"). The Company, its subsidiaries, and certain affiliates that are consolidated in the financial statements of the Company (such subsidiaries and such affiliates, the "Guarantors"), are guarantors of the Company's obligations under the Credit Agreement. Loans drawn under the Credit Agreement are secured by all of the assets of the Company and the Guarantors, including a security interest in the deposit accounts of the Company and the Guarantors and a pledge of the shares in the Company's subsidiaries. The Term Loan accrues interest at a rate of eight percent, per annum, and the amounts drawn under the Revolving Loan accrue interest at a rate equal to the sum of (i) LIBOR and (ii) six percent, per annum. Interest on the Loans is payable on the last business day of each successive month, in arrears, commencing April 30, 2014, and at each month-end thereafter. Loans under the Credit Agreement are repayable on or before March 28, 2019. The principal amount of the Term Loan is repaid on the last business day of each calendar quarter, commencing on the first such day to occur after the closing of the transactions contemplated by the Credit Agreement, in accordance with the amortization schedule contained in the Credit Agreement which provides for quarterly payments of $87,500 in the first year, $122,500 in the second year, $122,500 in the third year, $175,000 in the fourth year and $210,000 in the fifth year. The Loans can, in some circumstances, be required to be prepaid, and can be accelerated in connection with various events of default, as set forth in the Credit Agreement. The Company agreed to pay NNA a facility fee, on the last business day of each month, at a per annum rate of 1.0% of the average daily unused portion of the revolving commitments under the Credit Agreement. In addition, on March 28, 2014, the Company paid NNA $80,000 as an upfront fee. In connection with NNA's extension of the Loans, the Company issued NNA (i) a Common Stock Purchase Warrant, pursuant to which NNA has the right to purchase up to 1,000,000 shares of Company common stock at an initial exercise price of $1.00 per share, subject to adjustment as provided therein (the "1,000,000 Credit Agreement Warrants") and (ii) a Common Stock Purchase Warrant, pursuant to which NNA has the right to purchase up to 2,000,000 shares of Company common stock at an initial exercise price of $2.00 per share, subject to adjustment as provided therein (the "2,000,000 Credit Agreement Warrants," and together with the 1,000,000 Credit Agreement Warrants, the Convertible Note Warrants and the Investment Agreement Warrants, the "Warrants").

At the closing of the transactions contemplated by the Credit Agreement, existing loans of a principal amount of approximately $3.3 million under that certain Credit Agreement, dated as of October 15, 2013, as amended (the "Existing Credit Agreement"), were refinanced and approximately $3.7 million was advanced under the Term Loan. No amounts were drawn under the Revolving Loan at closing.

In connection with the Credit Agreement, the Company and Apollo Medical Management, Inc. ("Apollo Management") entered into Collateral Assignments of Physician Shareholder Agreements and Management Agreements in favor of NNA (which were acknowledged by various affiliates that are Guarantors and Warren Hosseinion, M.D.), dated March 28, 2014 (the "Collateral Assignment Agreements"), whereby NNA acquired a security interest in the Company's and Apollo Management's rights, as applicable, under such agreements.

The Company and NNA also entered into a Registration Rights Agreement, dated March 28, 2014 (the "Registration Rights Agreement") whereby the Company is obligated to, on or prior to one year after the closing of the sale of the Purchased Shares, prepare and file with the Securities and Exchange Commission a registration statement covering the resale of the Purchased Shares or any shares issued in connection with exercise of the Warrants or the conversion of the Convertible Note, subject to certain adjustments described therein, that are not already covered by an effective registration statement.

Each of the Warrants contains antidilution protection provisions in favor of NNA, including, if there is a dilutive issuance, the Warrants are adjusted to reflect the difference in price below $1.00, if any such issuance is below $0.90 per share. This right to antidilution protection in connection with issuances below $0.90 per share lasts until the Company's next financing that yields gross cash proceeds in an aggregate amount of at least $2.0 million or 2 years from closing, whichever is earlier. Each of the Warrants is exercisable on or after March 28, 2017 and expires on March 28, 2021. The Convertible Note Warrants, the 1,000,000 Credit Agreement Warrants, and the Investment Agreement Warrants were each issued in exchange for consideration of $10,000 while the 2,000,000 Credit Agreement Warrants were issued in exchange for consideration of $100.

Upon acquisition of the Purchased Shares and, assuming the Convertible Note is funded and fully converted and each of the Warrants is exercised, NNA will hold approximately 13% of the Company's fully diluted capital stock.

A copy of the Credit Agreement, the Investment Agreement, the Convertible Note, the 1,000,000 Credit Agreement Warrants, the 2,000,000 Credit Agreement Warrants, the Investment Agreement Warrants, the Convertible Note Warrants, the Collateral Assignment Agreement (acknowledged by ApolloMed Care Clinic, and Warren Hosseinion, M.D.), the Collateral Assignment Agreement (acknowledged by Maverick Medical Group Inc. and Warren Hosseinion, M.D.), the Collateral Assignment Agreement (acknowledged by ApolloMed Hospitalists and Warren Hosseinion, M.D.), the Shareholders Agreement, and the Registration Rights Agreement are attached hereto as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11 and 10.12, respectively, and are incorporated herein by reference. The foregoing description is qualified in its entirety by reference to the Credit Agreement, the Investment Agreement, the Convertible Note, the 1,000,000 Credit Agreement Warrants, the 2,000,000 Credit Agreement Warrants, the Investment Agreement Warrants, the Convertible Note Warrants, the Collateral Assignment Agreement (acknowledged by ApolloMed Care Clinic, and Warren Hosseinion, M.D.), the Collateral Assignment Agreement (acknowledged by Maverick Medical Group Inc. and Warren Hosseinion, M.D.), the Collateral Assignment Agreement (acknowledged by ApolloMed Hospitalists and Warren Hosseinion, M.D.), the Shareholders Agreement, and the Registration Rights Agreement.

Item 1.02 Termination of a Material Definitive Agreement.

Prior to the closing of the transactions contemplated by the Credit Agreement, NNA made revolving loans to the Company under the Existing Credit Agreement. The Existing Credit Agreement was terminated on the closing of the Credit Agreement, March 28, 2014. The terms of the Existing Credit Agreement and the First Amendment to the Existing Credit Agreement, which were filed as Exhibit 10.1 to the Company's Current Report on Form 8-K on October 18, 2013, and as Exhibit 10.1 to the Company's Current Report on Form 8-K on December 24, 2013, respectively, are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On March 28, 2014, the Company entered into the Credit Agreement and issued the Convertible Note. The information in Item 1.01 of this Report and the Credit Agreement and Convertible Note, copies of which are filed as Exhibits 10.1 and 10.2 to this Report, respectively, are incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities

On March 28, 2014, the Company entered into the Investment Agreement and the Convertible Note, and issued the Warrants. The Purchased Shares, the Convertible Note, and the Warrants were issued (and the shares issuable upon conversion of the Convertible Note and exercise of the Warrants will be issued) pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. NNA is an accredited investor, as defined in Rule 501 of Regulation D, and the issuance and sale of the Purchased Shares, the Convertible Note and the Warrants, was conducted by negotiations with NNA without any advertising or general solicitation. The information in Item 1.01 of this Report and the Investment Agreement, the Convertible Note, the 1,000,000 Credit Agreement Warrants, the 2,000,000 Credit Agreement Warrants, the Investment Agreement Warrants, and the Convertible Note Warrants, copies of which are filed as Exhibits 10.2, 10.3, 10.4, 10.5, 10.6 and 10.7 to this Report, respectively, are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Credit Agreement, between Apollo Medical Holdings, Inc. and NNA of Nevada, Inc., dated March 28, 2014.

10.2 Investment Agreement, between Apollo Medical Holdings, Inc. and NNA of Nevada, Inc., dated March 28, 2014.

10.3 Convertible Note, issued by Apollo Medical Holdings, Inc. to NNA of Nevada, Inc., dated March 28, 2014.

10.4 Common Stock Purchase Warrant to purchase 1,000,000 shares, issued by Apollo Medical Holdings, Inc. to NNA of Nevada, Inc., dated March 28, 2014.

10.5 Common Stock Purchase Warrant to purchase 2,000,000 shares, issued by Apollo Medical Holdings, Inc. to NNA of Nevada, Inc., dated March 28, 2014.

10.6 Common Stock Purchase Warrant to purchase 1,000,000 shares, issued by Apollo Medical Holdings, Inc. to NNA of Nevada, Inc., dated March 28, 2014.

10.7 Common Stock Purchase Warrant to purchase 1,000,000 shares, issued by Apollo Medical Holdings, Inc. to NNA of Nevada, Inc., dated March 28, 2014.

10.8 Collateral Assignment of Physician Shareholder Agreement and Management Agreement, between Apollo Medical Holdings, Inc., Apollo Medical Management, Inc., and NNA of Nevada, Inc., dated March 28, 2014 (acknowledged by ApolloMed Care Clinic, and Warren Hosseinion, M.D.).

10.9 Collateral Assignment of Physician Shareholder Agreement and Management Agreement, between Apollo Medical Holdings, Inc., Apollo Medical Management, Inc., and NNA of Nevada, Inc., dated March 28, 2014 (acknowledged by Maverick Medical Group Inc. and Warren Hosseinion, M.D.).

10.10 Collateral Assignment of Physician Shareholder Agreement and Management Agreement, between Apollo Medical Holdings, Inc., Apollo Medical Management, Inc., and NNA of Nevada, Inc., dated March 28, 2014 (acknowledged by ApolloMed Hospitalists and Warren Hosseinion, M.D.).

10.11 Shareholders Agreement, between Apollo Medical Holdings, Inc., Warren Hosseinion, M.D., Adrian Vazquez, M.D., and NNA of Nevada, Inc, dated March 28, 2014.

10.12 Registration Rights Agreement, between Apollo Medical Holdings, Inc. and NNA of Nevada, Inc., dated March 28, 2014.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APOLLO MEDICAL HOLDINGS, INC.

Dated: March 28, 2014

By: */s/ Warren Hosseinion*
Name: Warren Hosseinion
Title: Chief Executive Officer

CREDIT AGREEMENT

between

APOLLO MEDICAL HOLDINGS, INC.

and

NNA OF NEVADA, INC.

$7,000,000 Term Loan

$1,000,000 Revolving Line of Credit

March 28, 2014

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EXHIBITS:

SCHEDULES:

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of March 28, 2014, is made and entered into between Apollo Medical Holdings, Inc., a Delaware corporation ("Borrower"), and NNA of Nevada, Inc. ("Lender").

BACKGROUND STATEMENT

A. The Borrower and the Lender are party to a Credit Agreement, dated as of October 15, 2013, as amended by the First Amendment To Credit Agreement, dated as of December 20, 2013 (as so amended, the "Existing Credit Agreement").

B. The Borrower has applied to the Lender for a term loan in the principal amount of $7,000,000 to refinance the outstanding principal balance of the loans under the Existing Credit Agreement and provide additional working capital, and to be advanced by the Lender pursuant to the terms and conditions hereof.

C. The Borrower has also requested that the Lender extend a $1,000,000 revolving line of credit to the Borrower, to be advanced by the Lender pursuant to the terms and conditions hereof.

D. The Lender is willing to extend the term loan and revolving line of credit described above upon the terms and subject to the conditions set forth in this Credit Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Lender to make the loans described herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. In addition to the words and terms defined elsewhere in this Agreement, the following terms when used herein shall have the following respective meanings:

"Acquisition" means any transaction or series of related transactions, consummated on or after the date hereof, by which the Borrower or any of its Subsidiaries, (i) acquires all or substantially all of the assets of any Person or any going business, division thereof or line of business, whether through purchase of assets, merger or otherwise, (ii) acquires Capital Stock of any Person having at least a majority of combined voting power of the then outstanding Capital Stock of such Person or (iii) enters into a Physician Practice Management Agreement, some other physician practice management agreement or such other agreement with another Person and the effect of which is to cause such Person to be consolidated with the Borrower in accordance with GAAP.

"Acquisition Amount" means, with respect to any Acquisition, the sum (without duplication) of (i) the amount of cash paid as purchase price by the Borrower and its Subsidiaries in connection with such Acquisition, (ii) the value of all Capital Stock of the Borrower issued or given as purchase price in connection with such Acquisition (as determined by the parties thereto under the definitive acquisition agreement and, if no such determination is made, as determined in good faith by the Board of Directors of the Borrower), (iii) the amount (determined by using the face amount or the amount payable at maturity, whichever is greater) of all Indebtedness assumed or acquired by the Borrower and its Subsidiaries in connection with such Acquisition, (iv) the maximum amount of any Contingent Purchase Price Obligations payable in connection with such Acquisition, as determined in good faith by the Borrower, (v) all amounts paid in respect of noncompetition agreements, consulting agreements and similar arrangements entered into in connection with such Acquisition, and (vi) the aggregate fair market value of all other real, mixed or personal property paid as purchase price by the Borrower and its Subsidiaries in connection with such Acquisition.

"Adjusted LIBOR" means a rate per annum equal to the sum of (i) LIBOR and (ii) six percent (6%).

"Affiliate" means, as to any Person, (i) any other Person which directly, or indirectly through one or more intermediaries, controls such Person or is consolidated with such Person in accordance with GAAP, (ii) any other Person which directly, or indirectly through one or more intermediaries, is controlled by or is under common control with such Person, or (iii) any other Person of which such Person owns, directly or indirectly, ten percent (10%) or more of the common stock or equivalent equity interests. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or otherwise.

"Affiliated Physician Practice Entity" means any of Maverick Medical Group, Inc., ApolloMed Care Clinic, ApolloMed Hospitalists, and any other physician practice group that from time to time is consolidated with the Borrower in accordance with GAAP and (i) that is a party to a Physician Practice Management Agreement with the Borrower or any Subsidiary and (ii) for which the owner(s) of at least seventy five percent (75%) of its outstanding Capital Stock have entered into a Physician Shareholder Agreement.

"Agreement" means this Credit Agreement and all schedules and exhibits hereto, together with any amendments, modifications, replacements and supplements hereto, any substitutes herefor, and any replacements, renewals or extensions hereof, in whole or in part, and shall refer to this Agreement as the same may be in effect at the time such reference becomes operative.

"Aligned Purchase Agreement" means the Stock Purchase Agreement, dated as of February 15, 2011, as amended by the First Amendment to Stock Purchase Agreement, dated as of July 8, 2011, among the Borrower, Aligned Healthcare Group LLC, Aligned Healthcare Group – California, Inc. and the other parties thereto.

"Asset Disposition" means any sale, assignment, lease, conveyance, transfer or other disposition by any Credit Party (whether in one or a series of transactions) of all or any of its assets, business or other properties (including Capital Stock of Subsidiaries), other than pursuant to a Casualty Event.

"Bankruptcy Code" means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

"Borrower" has the meaning set forth in the introductory paragraph hereof.

"Borrowing" means any borrowing hereunder consisting of the Term Loan or a Revolving Loan made to the Borrower pursuant to**Article II**.

"Business Day" means any day of the year on which banks are open for business in Waltham, Massachusetts and, in respect of any determination relevant to the determination or payment of interest determined based on LIBOR, the term "Business Day" shall also exclude any day on which banks in London, England are not open for dealings in United States dollar deposits in the London interbank market.

"Capital Expenditures" means, during any period, the sum of all amounts paid during such period that would, in accordance with GAAP, be included on the consolidated statement of cash flows of the Borrower and its Subsidiaries as an acquisition of fixed assets or improvements, replacements, substitutions or additions thereto.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock (whether voting or nonvoting, and whether common or preferred) of such corporation, and (ii) with respect to any Person that is not a corporation, any and all partnership, membership, limited liability company or other equity interests of such Person; and in each case, any and all warrants, rights or options to purchase any of the foregoing.

"Capitalized Lease" means any lease or similar arrangement which is of a nature that payment obligations of the lessee or obligor thereunder at the time are or should be capitalized and shown as liabilities (other than current liabilities) upon a balance sheet of such lessee or obligor prepared in accordance with GAAP.

"Capitalized Lease Obligations" means, with respect to any Capitalized Lease, the amount of the obligation of the lessee thereunder that would, in accordance with GAAP, appear on a balance sheet of such lessee with respect to such Capitalized Lease.

"Cash Equivalents" means (i) securities issued or unconditionally guaranteed or insured by the United States of America or any agency or instrumentality thereof, backed by the full faith and credit of the United States of America and maturing within one year from the date of acquisition, (ii) commercial paper issued by any Person organized under the laws of the United States of America, maturing within 180 days from the date of acquisition and, at the time of acquisition, having a rating of at least A-1 or the equivalent thereof by Standard & Poor's Ratings Services or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc., (iii) time deposits and certificates of deposit maturing within 180 days from the date of issuance and issued by a bank or trust company organized under the laws of the United States of America or any state thereof (y) that has combined capital and surplus of at least $500,000,000 or (z) that has (or is a subsidiary of a bank holding company that has) a long-term unsecured debt rating of at least A or the equivalent thereof by Standard & Poor's Ratings Services or at least A2 or the equivalent thereof by Moody's Investors Service, Inc., (iv) repurchase obligations with a term not exceeding thirty (30) days with respect to underlying securities of the types described in clause (i) above entered into with any bank or trust company meeting the qualifications specified in clause (iii) above, (v) money market funds at least ninety-five percent (95%) of the assets of which are continuously invested in securities of the foregoing types, and (vi) cash balances in accounts deposited with banks or other financial institutions in the United States.

"Casualty Event" means, with respect to any property (including any interest in property) of any Credit Party, any loss of, damage to, or condemnation or other taking of, such property for which such Credit Party receives insurance proceeds, proceeds of a condemnation award or other compensation.

"Change of Law" means the adoption of any applicable law, rule or regulation, or any change therein or any existing or future law, rule or regulation, or any change in the interpretation or administration thereof, by any Governmental Authority, or compliance by the Lender with any request or directive (whether or not having the force of law) of any Governmental Authority.

"Closing Date" means the date upon which the initial extensions of credit are made pursuant to this Agreement, which shall be the date upon which each of the conditions set forth in **Sections 3.1** and **3.2** shall have been satisfied or waived in accordance with the terms of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor federal tax code. Any reference to any provision of the Code shall also include the income tax regulations promulgated thereunder, whether final, temporary or proposed.

"Compliance Certificate" means a fully completed and duly executed certificate in the form of**Exhibit A**, together with a Covenant Compliance Worksheet.

"Confidential Information" means, with respect to a party hereto or any of its Affiliates (the 'Disclosing Party"), any and all confidential or proprietary information and material disclosed by the Disclosing Party to the other party hereto or any of its Affiliates (the "Receiving Party") or obtained by the Receiving Party through inspection or observation of the Disclosing Party's property or facilities (whether in writing, or in oral, graphic, electronic or any other form), whether disclosed or obtained before, on or after the date hereof, including any (a) trade secret, know-how, idea, invention, process, technique, algorithm, program (whether in source code or object code form), hardware, device, design, schematic, drawing, formula, data, plan, strategy and forecast of, and (b) technical, engineering, manufacturing, product, marketing, servicing, financial, personnel, log-in or identification passwords and other information and materials of, the Disclosing Party and its employees, consultants, investors, Affiliates, licensors, suppliers, vendors, customers, clients and other Persons, *provided*, that Confidential Information shall not include any such information which (a) was in the public domain on the Closing Date or comes into the public domain other than through the fault or negligence of the other party hereto (the "Receiving Party") or any of its Affiliates, (b) was lawfully obtained by the Receiving Party from a third party, but only to the extent that such source is not known by the Receiving Party to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party or any other party with respect to such information, (c) was known to the Receiving Party or any of its Affiliates at the time of disclosure of such Confidential Information to the Receiving Party by the Disclosing Party, *provided* that the Receiving Party was not, at such time, subject to any confidentiality obligation to the Disclosing Party with respect thereto, or (d) was independently developed by the Receiving Party without making use of any Confidential Information. For the avoidance of doubt, it is expressly agreed and understood that (i) financial projections of the Borrower were disclosed by the Borrower to the Lender (or any person on behalf of the Lender) on March 4, 2014, on March 11, 2014 and on March 24, 2014 (collectively, the "Projections") as required by the Lender and the Projections were prior to the date hereof subject to the confidentiality provisions of Section 9.6 of the Existing Credit Agreement, (ii) information that was subject to the confidentiality provisions of Section 9.6 of the Existing Credit Agreement, including the Projections, shall be deemed Confidential Information and subject to the confidentiality provisions of **Section 9.6**, and (iii) the Lender acknowledges that the Projections have only been used to determine the financial covenants herein and in the Convertible Note and shall not be used for any other purpose.

"Consolidated EBITDA" means, for the Borrower for any period, the aggregate of (i) Consolidated Net Income of the Borrower for such period, plus (ii) the sum of interest expense, income tax expense, depreciation and amortization, and minus (iii) interest income, all to the extent taken into account in the calculation of Consolidated Net Income of the Borrower for such period.

"Consolidated Entities" means the Borrower and the Subsidiaries of the Borrower.

"Consolidated Funded Debt" means, without duplication, any of the following types of Indebtedness of the Borrower and its Subsidiaries, as determined on consolidated basis in accordance with GAAP:

(i) all obligations for borrowed money, whether current or long-term (including the Obligations hereunder), and all obligations evidenced by bonds, debentures, notes, loan agreements or similar instruments;

(ii) all purchase money Indebtedness (including indebtedness and obligations in respect of conditional sales and title retention arrangements, except for customary conditional sales and title retention arrangements with suppliers that are entered into in the ordinary course of business) and all Indebtedness and obligations in respect of deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business on terms customary in the trade and not past due other than as a result of a bona fide dispute pursuant to **Section 5.5**);

(iii) the principal amount of capital leases;

(iv) any non-contingent obligations with respect to preferred stock and comparable equity interests providing for mandatory redemption, sinking fund or other like payments; and

(v) any of the foregoing types of Indebtedness of any partnership or joint venture or other similar entity which any such Person is a general partner or joint venture, and, as such, has personal liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

"Consolidated Net Income" means, for the Borrower for any period, the net income (or loss) of the Borrower and its Subsidiaries, as determined on consolidated basis in accordance with GAAP, but excluding extraordinary gains and losses and any other non-operating gains and losses.

"Consolidated Tangible Net Worth" means, at any date, (i) the Borrower's total stockholders' equity at such date determined for the Borrower and its Subsidiaries on consolidated basis in accordance with GAAP minus (ii) the amount of intangible assets of the Borrower and its Subsidiaries at such date, including without limitation, goodwill (whether representing the excess of cost over book value of assets acquired, or otherwise), capitalized expenses, patents, trademarks, tradenames, copyrights, franchises, licenses and deferred charges, all determined for the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP; provided, however, that the Borrower and the Lender may mutually agree in writing, in each such party's sole discretion and without any obligation to do so, to add-back to the calculation of "Consolidated Tangible Net Worth" certain goodwill relating to one or more acquisitions.

"Contingent Purchase Price Obligations" means any earnout obligations or similar deferred or contingent purchase price obligations of the Borrower or any of its Subsidiaries incurred or created in connection with an Acquisition.

"Controlled Group" means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

"Convertible Note" means the 8% initial Convertible Note issued by the Borrower pursuant to the Investment Agreement, providing an option for the Borrower to borrow an original principal amount of $2,000,000, as such Convertible Secured Note is in effect on the Closing Date and as the same may be supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Costs" has the meaning set forth in **Section 9.2**.

"Covenant Compliance Worksheet" means a fully completed worksheet in the form of **Attachment A** to **Exhibit A**.

"Credit Documents" means and collectively refer to this Agreement, the Intercompany Notes, the Security Documents, the Warrants, the Shareholders Agreement, the Registration Rights Agreement and any and all other agreements, instruments and documents now or hereafter executed by or in behalf of the Borrower or any Subsidiary or delivered to the Lender with respect to this Agreement or with respect to the transactions contemplated by this Agreement, and in each case, together with any amendments, modifications and supplements thereto, any replacements, renewals, extensions and restatements thereof, and any substitutes therefor, in whole or in part.

"Credit Parties" means the Borrower and the Subsidiary Guarantors.

"Default" means any event which with the giving of notice, lapse of time, or both, would become an Event of Default.

"Default Rate" means an interest rate equal to the sum of (i) the rate otherwise in effect for the Term Loan or Revolving Loans, as the case may be, and (ii) six percent (6.0%).

"Dollar" or "$" means dollars in lawful currency of the United States of America.

"Environmental Claims" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, allegations, notices of noncompliance or violation, investigations by a Governmental Authority, or proceedings (including administrative, regulatory and judicial proceedings) relating in any way to any Hazardous Substance, any actual or alleged violation of or liability under any Environmental Law or any permit issued, or any approval given, under any Environmental Law (collectively, "Claims"), including (i) any and all Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from any Hazardous Substance or arising from alleged injury or threat of injury to human health or the environment.

"Environmental Laws" means any and all federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, rules of common law and orders of courts or Governmental Authorities, relating to the protection of human health, occupational safety with respect to exposure to Hazardous Substances, or the environment, now or hereafter in effect, and in each case as amended from time to time, including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, and all rules and regulations from time to time promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with any Consolidated Entity, is treated as (i) a single employer under Section 414(b), (c), (m) or (o) of the Code or (ii) a member of the same controlled group under Section 4001(a)(14) of ERISA.

"ERISA Event" means any of the following: (i) a "reportable event" as defined in Section 4043(c) of ERISA with respect to a Plan or, if any Consolidated Entity or any ERISA Affiliate has received notice, a Multiemployer Plan, for which the requirement to give notice has not been waived by the PBGC (provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code shall be considered a "reportable event" regardless of the issuance of any waiver), (ii) the application by any Consolidated Entity or any ERISA Affiliate for a funding waiver pursuant to Section 412 of the Code, (iii) the incurrence by any Consolidated Entity or any ERISA Affiliate of any Withdrawal Liability, or the receipt by any Consolidated Entity or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA, (iv) the distribution by any Consolidated Entity or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan, (v) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by any Consolidated Entity or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, (vi) the institution of a proceeding by any fiduciary of any Multiemployer Plan against any Consolidated Entity or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days, (vii) the imposition upon any Consolidated Entity or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of any Consolidated Entity or any ERISA Affiliate as a result of any alleged failure to comply with the Code or ERISA with respect to any Plan, or (viii) the engaging in or otherwise becoming liable for a Prohibited Transaction by any Consolidated Entity or any ERISA Affiliate.

"Event of Default" has the meaning set forth in **Article VIII**.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

"Excluded Asset Disposition" means any Asset Disposition permitted under **Section 7.4(i)**, **(ii)**, **(iii)** or **(iv)**.

"Executive Employment Agreements" has the meaning set forth in **Section 3.1(o)**.

"Existing Credit Agreement" has the meaning set forth in the Background Statement hereof.

"Existing Notes" means the 9% Promissory Convertible Notes, as in effect as of the date hereof, scheduled to mature on February 15, 2015 and with an aggregate outstanding principal balance of $1,100,000 as of the Closing Date.

"Financial Officer" means, with respect to any Person, the chief financial officer, vice president - finance, principal accounting officer or treasurer of such Person.

"fiscal quarter" means a fiscal quarter of the Borrower and its Subsidiaries.

"fiscal year" means a fiscal year of the Borrower and its Subsidiaries.

"Fixed Charge Coverage Ratio" means, as of the last day of any fiscal quarter, for the Borrower and its Subsidiaries as determined on consolidated basis in accordance with GAAP, the ratio of (i) Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of such day, to (ii) the sum of (A) all interest expense to the extent paid (or required to be paid) in cash for the period of four consecutive fiscal quarters ending as of such day, (B) all scheduled payments of principal of Consolidated Funded Debt for the 12-month period immediately following such period, (C) all taxes to the extent paid in cash during the period of four consecutive fiscal quarters ending as of such day, (D) all rent expense to the extent paid in cash during the period of four consecutive fiscal quarters ending as of such day and (E) all payments made by the Borrower and its Subsidiaries for purchases of shares of Capital Stock permitted by **Section 7.6(a)(iv)** during the period of four consecutive fiscal quarters ending as of such day.

"GAAP" means generally accepted accounting principles, as recognized by the American Institute of Certified Public Accountants, consistently applied and maintained on a consistent basis for the Borrower and its Subsidiaries on a consolidated basis throughout the period indicated and consistent with the financial practice of the Borrower and its Subsidiaries prior to the date hereof.

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Guaranty" means a guaranty agreement, dated as of the date hereof, made by the Subsidiary Guarantors in favor of the Lender, as amended, modified, restated or supplemented from time to time.

"Hazardous Substance" means any substance or material meeting any one or more of the following criteria: (i) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law, (ii) it is toxic, explosive, corrosive, ignitable, infectious, radioactive, mutagenic or otherwise hazardous to human health or the environment and is or becomes regulated by any Governmental Authority, (iii) its presence may require investigation or response under any Environmental Law, (iv) it constitutes a nuisance, trespass or health or safety hazard to Persons or neighboring properties, or (v) it is or contains, without limiting the foregoing, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or wastes, crude oil, nuclear fuel, natural gas or synthetic gas.

"Hedge Agreement" means any interest or foreign currency rate swap, cap, collar, option, hedge, forward rate or other similar agreement or arrangement designed to protect against fluctuations in interest rates or currency exchange rates.

"Immaterial Subsidiary" means, at any date of determination, (i) Los Angeles Lung Center and Eli E. Hendel, M.D. and (ii) (A) until financial statements are delivered pursuant to **Section 5.1(b)** for the Borrower's fiscal year ended in 2016, those subsidiaries listed on **Schedule 1.1**, as such schedule may be updated from time to time as mutually agreed by the Borrower and the Lender, and (B) commencing upon the Borrower's delivery of the financial statements pursuant to **Section 5.1(b)** for the Borrower's fiscal year ended in 2016, any Subsidiary, together with its Subsidiaries and each other Subsidiary which the Borrower is treating as an "Immaterial Subsidiary" for purposes of this clause (ii)(B) (and, for the avoidance of doubt, excluding Los Angeles Lung Center and Eli E. Hendel, M.D., which shall remain Immaterial Subsidiaries pursuant to clause (i) of this definition), including their Subsidiaries and without duplication, that contributed less than an aggregate of 5% of Consolidated EBITDA for the fiscal year of the Borrower most recently ended prior to such date of determination.

"Indebtedness" means, for any Person, without duplication (i) obligations of such Person for borrowed money; (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business on terms customary in the trade and not past due other than as a result of a bona fide dispute pursuant to **Section 5.5**); (iv) obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person; (v) Capitalized Lease Obligations of such Person; (vi) obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit (whether or not drawn upon and in the stated amount thereof); (vii) guaranties by such Person of the type of indebtedness described in clauses (i) through (vi) above; (viii) all indebtedness of a third party secured by any Lien on property owned by such Person, whether or not such indebtedness has been assumed by such Person; (ix) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any common stock of such Person; (x) off-balance sheet liability retained in connection with asset securitization programs, synthetic leases, sale and leaseback transactions or other similar obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person and its Subsidiaries; and (xi) obligations under any Hedge Agreement.

"Intellectual Property" means (i) all inventions (whether or not patentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissues, continuations, continuations-in-part, divisions, revisions, extensions, and reexaminations thereof, (ii) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) all copyrightable works and all copyrights (registered and unregistered), (iv) all trade secrets and confidential information (including, without limitation, financial, business and marketing plans and customer and supplier lists and related information), (v) all computer software and software systems (including, without limitation, data, databases and related documentation), (vi) all Internet web sites and domain names, (vii) all technology, know-how, processes and other proprietary rights, and (viii) all licenses or other agreements to or from third parties regarding any of the foregoing.

"Intercompany Loan Agreement" means any intercompany loan agreement between the Borrower or a Subsidiary, on the one hand, and an Affiliated Physician Practice Entity, on the other hand, on terms and conditions satisfactory to the Lender, including without limitation (i) that certain Intercompany Revolving Loan Agreement, dated July 31, 2013, by and between ApolloMed Care Clinic and Apollo Medical Management, Inc., as amended on March 28, 2014, (ii) that certain Intercompany Revolving Loan Agreement, dated September 30, 2013, by and between ApolloMed Hospitalists and Apollo Medical Management, Inc., as amended on March 28, 2014, and (iii) that certain Intercompany Revolving Loan Agreement, dated February 1, 2013, by and between Apollo Medical Management, Inc. and Maverick Medical Group, Inc., as amended on March 28, 2014.

"Intercompany Note" means the intercompany note substantially in the form of **Exhibit C**.

"Investment Agreement" means that certain Investment Agreement, dated as of the Closing Date, between the Borrower, as issuer, and NNA of Nevada, Inc., as purchaser, with respect to the Convertible Note, the Capital Stock of the Borrower purchased thereunder and the warrants granted thereunder, as in effect on the Closing Date, as supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Investment Documents" means the Convertible Note, the Investment Agreement, the warrants issued pursuant to the Investment Agreement, including the Warrants, and all other documents executed and delivered with respect to the Investment Agreement, the Convertible Note, the Capital Stock of the Borrower purchased thereunder and the warrants issued thereunder, in each case, as in effect on the Closing Date, as supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Investments" has the meaning set forth in **Section 7.5**.

"Lender" has the meaning set forth in the introductory paragraph hereof.

"Leverage Ratio" means, as of the last day of any fiscal quarter, the ratio of (i) the amount of Consolidated Funded Debt on such day to (ii) Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of such day.

"LIBOR " means, for any day, the offered rate as published by BloombergL.P. (or any other generally recognized financial information page or service designated by Lender) for deposits in U.S. Dollars in the London interbank deposit market with a maturity of three (3) months, determined approximately 11:00 A.M. (London time) two Business Days before commencement of each calendar quarter; provided, that if no such LIBOR Rate is available, the applicable LIBOR Rate shall instead be the rate determined by Lender to be the rate at which Bank of America, N.A., or one of its affiliates banks, offers to place deposits in U.S. Dollars with first class banks in the London interbank market at approximately 11:00 A.M. (London time) two Business Days before the commencement of each calendar quarter.

"Lien" means any interest in property securing an obligation owed to, or claim by, a Person other than the owner of such property, whether such interest arises by virtue of contract, statute or common law, including but not limited to the lien or security interest arising from a mortgage, security agreement, pledge, lease, conditional sale, consignment or bailment for security purposes or from attachment, judgment or execution. The term "Lien" shall include any easements, covenants, restrictions, conditions, encroachments, reservations, rights-of-way, leases and other title exceptions and encumbrances affecting real property. For the purpose of this Agreement, the Borrower or any Subsidiary shall be deemed to own, subject to a Lien, any proceeds of a sale with recourse of accounts receivable, any asset leased under any "sale and lease back" or similar arrangement and any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Loans" means, collectively, the Term Loan and the Revolving Loans.

"Margin Stock" has the meaning given to such term in Regulation U.

"Material Adverse Effect" or "Material Adverse Change" means a material adverse effect upon, or a material adverse change in, any of (i) the financial condition, operations, business or properties of the Borrower and its Subsidiaries, taken as a whole; (ii) the ability of the Borrower or any Subsidiary to perform under this Agreement or any other Credit Document in any material respect or any other material contract in any material respect to which any one or more of them is a party; (iii) the legality, validity or enforceability of this Agreement or any other Credit Document; or (iv) the perfection or priority of the Liens of the Lender granted under this Agreement or any other Credit Document or the rights and remedies of the Lender under this Agreement or any other Credit Document (other than a change resulting from any act or omission by the Lender).

"Material Contracts" has the meaning set forth in **Section 4.19**.

"Maturity Date" means March 28, 2019.

"Multiemployer Plan" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

"Net Cash Proceeds" means, in the case of any Casualty Event or Asset Disposition, the aggregate cash proceeds received by any Credit Party in respect thereof (including, in the case of a Casualty Event, insurance proceeds and condemnation awards), minus the sum of (i) reasonable fees and out-of-pocket expenses payable by such Credit Party in connection therewith, (ii) taxes paid or payable as a result thereof, and (iii) the amount required to retire Indebtedness to the extent such Indebtedness is secured by Permitted Liens on the subject property; it being understood that the term "Net Cash Proceeds" shall include, as and when received, any cash received upon the sale or other disposition of any non-cash consideration received by any Credit Party in respect of any of the foregoing events.

"Notice of Borrowing" has the meaning set forth in **Section 3.2(a)**.

"Obligations" means (i) the Loans, indebtedness, liabilities, obligations, covenants and duties owing, arising, due or payable from the Borrower or any Subsidiary to the Lender of any kind or nature, present or future, arising under this Agreement or the other Credit Documents, whether direct or indirect (including those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising and however acquired; and (ii) all interest (including to the extent permitted by law, all post-petition interest), charges, expenses, fees, attorneys' fees and any other sums payable by the Borrower or any Subsidiary to the Lender under this Agreement or any of the other Credit Documents.

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control, and any successor thereto.

"OTCQB" has the meaning set forth in **Section 4.7(c)**.

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001), as amended from time to time, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, and any successor thereto.

"Permitted Acquisition" means any Acquisition for which the Acquisition Amount is less than $500,000 and any other Acquisition to which the Lender shall have given its prior written consent (which consent may be in its sole discretion and may be given subject to such additional terms and conditions as it shall establish).

"Permitted Liens" has the meaning set forth in **Section 7.3**.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Physician Practice Management Agreement" means a Physician Practice Management Agreement between an Affiliated Physician Practice Entity and a Subsidiary or the Borrower, as manager, and providing for the management of the non-medical aspects of such Affiliated Physician Practice Entity on terms and conditions satisfactory to the Lender.

"Physician Shareholder Agreement" means a Physician Shareholder Agreement, by and between owners of at least seventy five percent (75%) of the Capital Stock issued by an Affiliated Physician Practice Entity, the Subsidiary or the Borrower that is the manager pursuant to the Physician Practice Management Agreement to which such Affiliated Physician Practice Entity is a party, such Affiliated Physician Practice Entity, and the Borrower (if not already party thereto as manager) and on terms and conditions satisfactory to the Lender.

"Plan" means any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA that is subject to the provisions of Title IV of ERISA (other than a Multiemployer Plan) and to which any Consolidated Entity or any ERISA Affiliate may have any liability.

"Pledge and Security Agreement" means a Pledge and Security Agreement, dated as of the date hereof, made by the Borrower and the Subsidiaries of the Borrower party thereto in favor of the Lender, as amended, modified, restated or supplemented from time to time.

"Prohibited Transaction" means any transaction described in (i) Section 406 of ERISA that is not exempt by reason of Section 408 of ERISA or by reason of a Department of Labor prohibited transaction individual or class exemption or (ii) Section 4975(c) of the Code that is not exempt by reason of Section 4975(c)(2) or 4975(d) of the Code.

"Projections" has the meaning set forth in the definition of Confidential Information.

"Realty" means the real property owned by the Borrower or a Subsidiary Guarantor and set forth on **Schedule 4.12**.

"Reference Period" with respect to any date of determination, means (except as may be otherwise expressly provided herein) the period of twelve consecutive fiscal months of the Borrower immediately preceding such date or, if such date is the last day of a fiscal quarter, the period of four consecutive fiscal quarters ending on such date.

"Registration Rights Agreement" has the meaning set forth in **Section 3.1(a)(viii).**

"Requirement of Law" means, with respect to any Person, the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person, and any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject or otherwise pertaining to any or all of the transactions contemplated by this Agreement and the other Credit Documents.

"Responsible Officer" means, with respect to any Person, the president, the chief executive officer, the chief financial officer, any executive officer, or any other Financial Officer of such Person, and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Agreement or any other Credit Document.

"Revolving Credit Commitment" has the meaning set forth in **Section 2.1**.

"Revolving Credit Termination Date" means the date of the earliest to occur of the (i) Maturity Date and (ii) such earlier date of termination of the Revolving Credit Commitments pursuant to **Section 2.5** or **8.2(a)**.

"Revolving Loans" has the meaning set forth in **Section 2.1**.

"Sanctioned Country" means a country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/eotffc/ofac/sanctions/index/html, or as otherwise published from time to time.

"Sanctioned Person" means (i) a Person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffc/ofac/sdn/index/html, or as otherwise published from time to time, or (ii) (A) an agency of the government of a Sanctioned Country, (B) an organization controlled by a Sanctioned Country, or (C) a Person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Security Documents" means the Pledge and Security Agreement, the Guaranty, the collateral assignments referred to in Section 3.1(o), and all other pledge or security agreements, assignments or other similar agreements or instruments executed and delivered by the Borrower or any of its Subsidiaries pursuant to the terms of this Agreement or otherwise in connection with the transactions contemplated hereby, in each case as amended, modified or supplemented from time to time.

"Shareholders Agreement" has the meaning set forth in **Section 3.1(a)(vii).**

"Solvent" means as to any Person on any particular date, that such Person (i) does not have unreasonably small capital to carry on its business as now conducted and as presently proposed to be conducted, (ii) is able to pay its debts as they become due in the ordinary course of business, and (iii) has assets with a present fair saleable value greater than its total stated liabilities and identified contingent liabilities, including any amounts necessary to satisfy preferential rights of shareholders.

"Subsidiary" means any corporation, partnership, limited liability company, association or other business entity (i) of which the Borrower owns, directly or indirectly, more than fifty percent (50%) of the voting securities thereof or (ii) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, by the Borrower and is consolidated with the Borrower in accordance with GAAP.

"Subsidiary Guarantor" means any Subsidiary of the Borrower that is a guarantor of the Obligations under the Guaranty (or under another guaranty agreement in form and substance satisfactory to the Lender) and has granted to the Lender a Lien upon and security interest in its personal property assets pursuant to the Pledge and Security Agreement.

"Target" has the meaning set forth in **Section 5.8(a)(i)**.

"Term Loan" has the meaning set forth in **Section 2.1(a)**.

"Unfunded Pension Liability" means, with respect to any Plan, the excess of its benefit liabilities under Section 4001(a)(16) of ERISA over the current value of its assets, determined in accordance with the applicable assumptions used for funding under Section 412 of the Code for the applicable plan year.

"2012 Equity Incentive Plan" means the 2012 Equity Incentive Plan of Apollomed Accountable Care Organization, Inc. as in effect on the Closing Date.

"Warrants" has the meaning set forth in **Section 3.1(a)(vi).**

"Wholly Owned" means, with respect to any Subsidiary of any Person, that 100% of the outstanding Capital Stock of such Subsidiary is owned, directly or indirectly, by such Person.

1.2 Accounting Terms. Except as specifically provided otherwise in this Agreement, all accounting terms used herein that are not specifically defined shall have the meanings customarily given them in accordance with GAAP. Notwithstanding anything to the contrary in this Agreement, for purposes of calculation of the financial covenants set forth in **Article VI**, all accounting determinations and computations hereunder shall be made in accordance with GAAP as in effect as of the date of this Agreement applied on a basis consistent with the application used in preparing the most recent financial statements of the Borrower referred to in **Section 4.11(a)**. In the event that any changes in GAAP after such date are required to be applied to the Borrower and would affect the computation of the financial covenants contained in **Article VI**, such changes shall be followed only from and after the date this Agreement shall have been amended to take into account any such changes.

1.3 Singular/Plural. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular.

1.4 Other Terms. All other terms contained in this Agreement shall, when the context so indicates, have the meanings provided for by the Uniform Commercial Code of the State of New York to the extent the same are used or defined therein.

ARTICLE II

AMOUNTS AND TERMS OF THE LOANS

2.1 Commitments.

(a) Prior to the Closing Date the Lender made revolving loans to the Borrower under the Existing Credit Agreement, of which a principal amount of $3,311,878.00 remains outstanding as of the Closing Date, and together with all accrued and unpaid interest and fees of $16,032.07 (such outstanding principal, interest and fees, the "Outstanding Obligations"). Each of the Borrower and the Lender acknowledges and agrees, subject to the terms and conditions set forth herein, that the Outstanding Obligations shall be deemed funded by the Lender on the Closing Date as part of the Term Loan under this **Section 2.1(a)**, and such funding shall be deemed to refinance hereunder the Outstanding Obligations under the Existing Credit Agreement. In addition, the Lender agrees, subject to the terms and conditions set forth herein, to make a term loan to the Borrower on the Closing Date in a principal amount of $3,672,089.93 (and together with the Outstanding Obligations, the "Term Loan"). To the extent repaid, the Term Loan may not be reborrowed.

(b) The Lender agrees, on the terms and conditions set forth herein, to make loans (each, a "Revolving Loan," and collectively, the "Revolving Loans") to the Borrower, from time to time before the Revolving Credit Termination Date; provided that, immediately after each Revolving Loan is made, the aggregate outstanding principal amount of the Revolving Loans by the Lender shall not exceed $1,000,000 (as such figure may be reduced from time to time as provided in this Agreement, the "Revolving Credit Commitment"). Subject to **Section 3.2**, the Borrower may borrow under this **Section 2.1(b)**, repay or prepay Revolving Loans and reborrow under this **Section 2.1(b)** at any time before the Revolving Credit Termination Date, and any such repayment or prepayment may be made in whole or in part and without premium or penalty.

2.2 Repayments; Maturity of Loans.

(a) The principal amount of the Term Loan shall be repaid on the last Business Day of each calendar quarter, commencing on the first such day to occur after the Closing Date (and which shall count as Calendar Quarter 1 below), in accordance with the following amortization schedule:

Calendar Quarter	Quarterly Principal Payment
1 – 4	$ 87,500
5 - 8	$ 122,500
9 – 12	$ 122,500
13 – 16	$ 175,000
17 – 19	$ 210,000

In any event, the Term Loan shall be due and payable in full on the earlier of (i) the Maturity Date and (ii) the occurrence of any Event of Default and acceleration thereof by the Lender pursuant to **Article VIII** hereof.

(b) The Borrower shall repay the Revolving Loans:

(i) In full, on the Revolving Credit Termination Date;

(ii) In the event that, at any time, the aggregate principal amount of Revolving Loans shall exceed the aggregate Revolving Credit Commitments at such time, the Borrower will immediately prepay the outstanding principal amount of Revolving Loans in the amount of such excess; and

(iii) In full, upon the occurrence of any Event of Default and acceleration thereof by the Lender pursuant to**Article VIII** hereof.

(c) At any time and from time to time, the Borrower shall have the right to prepay the Term Loan, in whole or in part and without premium or penalty, upon written notice given to the Lender not later than 11:00 a.m., Massachusetts time, at least one (1) Business Day prior to each intended prepayment of principal, provided that each partial prepayment of the Term Loan shall be in an aggregate principal amount of not less than $250,000 or, if greater, an integral multiple of $50,000 in excess thereof. Each such notice shall specify the proposed date of such prepayment and the aggregate principal amount to be prepaid, and shall be irrevocable and shall bind the Borrower to make such prepayment on the terms specified therein. Each prepayment of the Term Loan pursuant to this **Section 2.2(c)** shall be applied to the remaining amortization payments in the inverse order of maturity.

(d) Not later than 90 days after receipt by any Credit Party of any proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event (or, if earlier, upon its determination not to repair or replace any property subject to such Casualty Event or to acquire assets used or useable in the business of the Credit Parties), the Borrower will (i) prepay the outstanding principal amount of the Term Loan in an amount equal to 100% of the Net Cash Proceeds from such Casualty Event (less any amounts theretofore applied (or contractually committed to be applied) to the repair or replacement of property subject to such Casualty Event or to acquire assets used or useable in the business of the Credit Parties) and will deliver to the Lender, concurrently with such prepayment, a certificate signed by a Financial Officer of the Borrower in form and substance satisfactory to the Lender and setting forth the calculation of such Net Cash Proceeds and (ii) if any such Net Cash Proceeds remain following the prepayment of the outstanding principal amount of the Term Loan in full, the remaining Net Cash Proceeds from such Casualty Event shall be used to reduce the principal amount of the Revolving Loans. Notwithstanding the foregoing, nothing in this **Section 2.2(d)** shall be deemed to permit any Asset Disposition not expressly permitted under **Section 7.4.**

(e) Not later than 90 days after receipt by any Credit Party of proceeds in respect of any Asset Disposition other than an Excluded Asset Disposition (or, if earlier, upon its determination not to apply such proceeds to the acquisition of assets used or useable in the business of the Borrower and its Subsidiaries), the Borrower will (i) prepay the outstanding principal amount of the Term Loan in an amount equal to 100% of the Net Cash Proceeds from such Asset Disposition (less any amounts theretofore applied (or contractually committed to be applied) to acquire assets used or useable in the business of the Credit Parties) and will deliver to the Lender, concurrently with such prepayment, a certificate signed by a Financial Officer of the Borrower in form and substance satisfactory to the Lender and setting forth the calculation of such Net Cash Proceeds and (ii) if any such Net Cash Proceeds remain following the prepayment of the Term Loan in full, the remaining Net Cash Proceeds from such Asset Disposition shall be used to reduce the principal amount of the Revolving Loans. Notwithstanding the foregoing, nothing in this **Section 2.2(e)** shall be deemed to permit any Asset Disposition not expressly permitted under **Section 7.4**.

2.3 Interest.

(a) The Term Loan shall bear, and the Borrower shall pay, interest from the Closing Date on the unpaid principal balance thereof at a rate per annum equal to eight percent (8%).

(b) Each Revolving Loan shall bear, and the Borrower shall pay, interest from the date such Revolving Loan is made on the unpaid principal balance thereof at a rate equal to Adjusted LIBOR.

(c) Interest on the outstanding principal balance of each Loan shall be due and payable (i) monthly on the last Business Day of each successive month, in arrears, commencing with April 30, 2014, and at each month-end thereafter until the entire principal amount of the Loans plus interest thereon is paid in full and (ii) on each date when all or any amount of the unpaid principal balance of each such Loan shall be due (whether at maturity, by optional or mandatory prepayment, by acceleration or otherwise), but only to the extent accrued.

(d) Interest on the Loans and fees shall be computed on the basis of a 360-day year and the actual number of days elapsed.

(e) Nothing contained in this Agreement shall be deemed to establish or require the payment of interest to the Lender at a rate in excess of the maximum rate permitted by governing law. In the event that the rate of interest required to be paid under this Agreement exceeds the maximum rate permitted by governing law, the rate of interest required to be paid hereunder shall be automatically reduced to the maximum rate permitted by governing law and any amounts collected in excess of the permissible amount shall be deemed a prepayment of principal hereunder.

(f) Notwithstanding any other provision of this Agreement to the contrary, upon and during the continuance of any Event of Default under this Agreement, at the option of the Lender without any required notice to the Borrower, the outstanding principal amount of the Loans, and to the full extent permitted by law, all interest accrued on the Loans, shall bear interest at the Default Rate, and such default interest shall be payable on demand.

2.4 Fees.

(a) The Borrower agrees to pay to the Lender an upfront fee of $80,000.00, which shall be due and payable in full on the Closing Date if the Closing Date occurs.

(b) The Borrower agrees to pay to the Lender a facility fee on the last Business Day of each month, commencing on April 30, 2014, and on the Revolving Credit Termination Date at a per annum rate of 1.0% of the average daily unused portion of the Revolving Credit Commitment for such month. Such unused facility fee shall be contingent on and accrue from and including the Closing Date to (but excluding) the Revolving Credit Termination Date.

2.5 Termination or Reduction of Commitments.

(a) The Borrower may, upon at least three (3) Business Days' written notice to the Lender, terminate or proportionately reduce the unused portion of the Revolving Credit Commitment from time to time by an aggregate amount of at least $100,000 or any larger integral multiple of $25,000. If the Revolving Credit Commitment is terminated in its entirety, all accrued fees (as provided under **Section 2.4(b)**) shall be due and payable on the effective date of such termination.

(b) Each prepayment of Revolving Loans pursuant to **Section 2.2(d)** and **(e)** shall permanently reduce the amount of the Revolving Credit Commitment.

2.6 General Provisions as to Payments. All payments (including prepayments) by the Borrower on account of principal, interest and fees on the Loans shall be made in immediately available funds to the Lender at its offices as set forth in **Section 9.4**, prior to 2:00 p.m., Massachusetts time, on the date payment is due, or at such other place as is designated in writing by the Lender.

2.7 Disbursement of Loan Proceeds. The Borrower hereby authorizes and directs the Lender to disburse, for and on behalf of the Borrower and for the Borrower's account, the proceeds of the Loans made by the Lender pursuant to this Agreement (i) to such Person or Persons as the Borrower shall direct, whether orally or in writing and (ii) to pay the Lender any interest, fees, costs and expenses payable pursuant to **Section 9.1** hereof.

2.8 Use of Proceeds.

(a) The proceeds of the Term Loan shall be used by the Borrower solely (i) to pay fees and expenses in connection with the transactions contemplated by this Agreement, (ii) to provide working capital for the Borrower, and (iii) to finance acquisitions and joint ventures as permitted by this Agreement.

(b) The proceeds of the Revolving Loans shall be used by the Borrower solely to provide working capital for the Borrower.

2.9 Taxes. All payments of principal, interest and fees and all other amounts to be made by the Borrower pursuant to this Agreement with respect to the Loans or fees relating thereto shall be paid without deduction for, and free from, any tax, imposts, levies, duties, deductions, or withholdings of any nature now or at any time hereafter imposed on or measured by any governmental authority or by any taxing authority thereof, or therein, excluding (i) taxes imposed on or measured by the Lender's net income and (ii) franchise taxes imposed on the Lender by the jurisdiction under the laws of which the Lender is organized or the Lender's location set forth in **Section 9.4** or any political subdivision thereof. In the event that the Borrower is required by applicable law to make any such withholding or deduction of taxes with respect to the Loans or fee or other amount, the Borrower shall pay such deduction or withholding to the applicable taxing authority, shall promptly furnish to the Lender all receipts and other additional amounts as may be necessary in order that the amount received by the Lender after the required withholding or other payment shall equal the amount the Lender would have received had no such withholding or other payment been made.

2.10 Basis for Determining Interest Rate Inadequate or Unfair. If on or prior to the first day of any Borrowing of Revolving Loans, (i) the Lender determines that deposits in U.S. Dollars (in the applicable amounts) are not being offered in the relevant market, or (ii) the Lender determines that LIBOR will not adequately and fairly reflect the cost to the Lender of funding a Revolving Loan, the Lender shall forthwith give notice thereof to the Borrower, whereupon until the Lender notifies the Borrower that the circumstances giving rise to such suspension no longer exist the obligation of the Lender to fund Revolving Loans shall be suspended unless the Borrower and the Lender can mutually agree upon a different formulation for the interest rate applicable to such Borrowing.

2.11 Illegality. If, after the date hereof, any Change of Law, or any change in interpretation or administration thereof by any Governmental Authority, or compliance by the Lender with any request or directive (whether or not having the force of law) by any Governmental Authority, shall make it unlawful or impossible for the Lender to make, maintain or fund Revolving Loans, then the Lender shall so notify the Borrower, whereupon until the Lender notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of the Lender to fund Revolving Loans shall be suspended. If the Lender shall determine that it may not lawfully continue to maintain and fund Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of the Loans.

2.12 Increased Cost and Reduced Return.

(a) If after the date hereof, a Change of Law or compliance by the Lender with any request or directive (whether or not having the force of law) of any Governmental Authority:

(i) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Lender; or

(ii) shall impose on the Lender or on the United States market for certificates of deposit or the London interbank market any other condition affecting Loans or its obligation to make Revolving Loans;

and the result of any of the foregoing is to increase the cost to the Lender of making or maintaining any Loan, or to reduce the amount of any sum received or receivable by the Lender under this Agreement with respect thereto, by an amount deemed by the Lender to be material, then, within fifteen (15) days after demand by the Lender, the Borrower shall pay to the Lender such additional amount or amounts as will compensate the Lender for such increased cost or reduction.

(b) If the Lender shall have determined that after the date hereof, any Change of Law, or any change in the interpretation or administration thereof, or compliance by the Lender with any request or directive regarding capital adequacy (whether or not having the force of law) by any Governmental Authority, has or would have the effect of reducing the rate of return on the Lender's capital as a consequence of its obligations hereunder to a level below that which the Lender could have achieved but for such adoption, change or compliance (taking into consideration the Lender's policies with respect to capital adequacy) by an amount deemed by the Lender to be material, then from time to time, within fifteen (15) days after demand by the Lender, the Borrower shall pay to the Lender such additional amount or amounts as will compensate the Lender for such reduction.

(c) The Lender will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle the Lender to compensation pursuant to this Section. A certificate of the Lender claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, the Lender may use any reasonable averaging and attribution methods.

(d) The provisions of this **Section 2.12** shall be applicable with respect to any participant, assignee or other transferee, and any calculations required by such provisions shall be made based upon the circumstances of such participant, assignee or other transferee.

2.13 Application and Allocation of Payments.

(a) Payments made by the Borrower hereunder shall be applied (a) first, as specifically required hereby; (b) second, to Obligations then due and owing in the same order of priority as set forth in **Section 2.13(b)**; (b) third, so long as no Default or Event of Default then exists or would result therefrom, to other Obligations specified by the Borrower; and (c) fourth, as determined by the Lender in its discretion.

(b) Notwithstanding anything in any Credit Document to the contrary, during an Event of Default, monies to be applied to the Obligations, whether arising from payments by the Borrower, realization on collateral under the Security Documents, setoff or otherwise, shall be allocated as follows:

(i) first, to all costs and expenses owing to the Lender;

(ii) second, to all Obligations constituting fees;

(iii) third, to all Obligations constituting interest;

(iv) fourth, to all Loans; and

(v) last, to all remaining Obligations.

Amounts shall be applied to payment of each category of Obligations only after payment in full of all preceding categories.

2.14 Warrants. On the Closing Date, the Borrower shall issue the Warrants to the Lender pursuant to the Investment Agreement. The Borrower and the Lender hereby acknowledge and agree that (i) the Loans and the Warrants are part of an investment unit within the meaning of Section 1273(c)(2) of the Code, (ii) for United States federal income tax purposes, (A) the issue price of the Warrants referred to in clause (i) of **Section 3.2(a)(vii)** within the meaning of Section 1273(b) of the Code, which issue price was determined pursuant to Section 1.1273-2(h)(1) of the Treasury Regulations, is equal to $10,000 and (B) the issue price of the Warrants referred to in clause (ii) of **Section 3.2(a)(vii)** within the meaning of Section 1273(b) of the Code, which issue price was determined pursuant to Section 1.1273-2(h)(1) of the Treasury Regulations, is equal to $100, and (iii) each of the Borrower and the Lender shall use such issue prices for all income tax purposes with respect to the making of the Loans and the issuance of the Warrants.

ARTICLE III

CLOSING; CONDITIONS OF CLOSING AND BORROWING

3.1 Conditions of Initial Loans. The obligation of the Lender to make Loans in connection with the initial Borrowing hereunder is subject to the satisfaction of the following conditions precedent:

(a) Credit Documents. The Lender shall have received the following, each dated as of the Closing Date (unless otherwise specified) and in such number of copies as the Lender shall have requested:

(i) from each of the parties hereto, a duly executed counterpart of this Agreement signed by such party;

(ii) the Guaranty, duly completed and executed by Subsidiaries (other than Immaterial Subsidiaries), in form and substance satisfactory to the Lender;

(iii) the Pledge and Security Agreement, duly completed and executed by the Borrower and Subsidiaries (other than Immaterial Subsidiaries), in form and substance satisfactory to the Lender; together with any certificates evidencing the Capital Stock being pledged thereunder as of the Closing Date and undated assignments separate from certificate for any such certificate, duly executed in blank, each in form and substance satisfactory to the Lender;

(iv) Intercompany Notes, duly completed and executed by the Borrower and each Subsidiary of the Borrower intending to incur Indebtedness pursuant to clauses (iii) or (v) of **Section 7.2**, together with allonges attached thereto, each in form and substance satisfactory to the Lender;

(v) Intercompany Loan Agreements, duly completed and executed by the Borrower or applicable Subsidiary of the Borrower, as lender, and the applicable Affiliated Physician Practice Entity, as borrower, together with allonges attached thereto, each in form and substance satisfactory to the Lender;

(vi) warrants, substantially in the form of **Exhibit B** to the Investment Agreement, duly completed and executed by the Borrower (i) for 1,000,000 shares of common equity of the Borrower with an exercise of $1 per warrant share and (ii) for 2,000,000 shares of common equity of the Borrower with an exercise price of $2 per warrant share (such warrants, together with all warrants issued upon transfer, division or combination of, or in substitution for, such warrants or any other such warrants (the "Warrants"));

(vii) the Shareholders Agreement (as supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof, the "Shareholders Agreement"), duly completed and executed by certain shareholders of the Borrower, the Borrower and the Lender, in form and substance satisfactory to the Lender; and

(viii) the Registration Rights Agreement (as supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof, the "Registration Rights Agreement"), duly completed and executed by the Borrower, in form and substance satisfactory to the Lender.

(b) Investment Documents. All conditions precedent to the consummation of the issuance by the Borrower to the Purchaser of the Convertible Note and the Borrower's Capital Stock and warrants as set forth in the Investment Documents, shall have been satisfied to the reasonable satisfaction of the Lender.

(c) Closing Certificate. The Lender shall have received a certificate, signed by the president, the chief executive officer or the chief financial officer of the Borrower, dated as of the Closing Date and in form and substance reasonably satisfactory to the Lender, certifying that (i) all representations and warranties of the Borrower and its Subsidiaries contained in this Agreement and the other Credit Documents are true, correct and complete as of the Closing Date, both immediately before and after giving effect to the making of the initial Loans and the application of the proceeds thereof (except to the extent any such representation or warranty is expressly stated to have been made as of a specific date, in which case such representation or warranty shall be true and correct as of such date), (ii) no Default or Event of Default has occurred and is continuing, both immediately before and after giving effect to the making of the initial Loans and the application of the proceeds thereof, (iii) both immediately before and after giving effect to the making of the initial Loans and the application of the proceeds thereof, no Material Adverse Effect has occurred since January 31, 2013, and there exists no event, condition or state of facts that could reasonably be expected to result in a Material Adverse Effect, and (iv) all conditions to the initial extensions of credit hereunder set forth in this **Section 3.1** and in **Section 3.2** have been satisfied or waived as required hereunder.

(d) Secretary's Certificate. The Lender shall have received a certificate of the secretary or an assistant secretary of the Borrower and each Subsidiary Guarantor as of the Closing Date, dated as of the Closing Date and in form and substance reasonably satisfactory to the Lender, certifying (i) that attached thereto is a true and complete copy of the articles or certificate of incorporation, certificate of formation or other organizational document and all amendments thereto of such party, certified as of a recent date by the Secretary of State (or comparable Governmental Authority) of its jurisdiction of organization, and that the same has not been amended since the date of such certification, (ii) that attached thereto is a true and complete copy of the bylaws, operating agreement or similar governing document of such party, as then in effect and as in effect at all times from the date on which the resolutions referred to in clause (iii) below were adopted to and including the date of such certificate, (iii) that attached thereto is a true and complete copy of resolutions adopted by the board of directors (or similar governing body) of such party, authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party, and (iv) as to the incumbency and genuineness of the signature of each officer of such party executing this Agreement or any of such other Credit Documents, and attaching all such copies of the documents described above.

(e) Good Standings. The Lender shall have received a certificate as of a recent date of the good standing of the Borrower and each of its Subsidiaries as of the Closing Date, under the laws of its jurisdiction of organization, from the Secretary of State (or comparable Governmental Authority) of such jurisdiction.

(f) Solvency Certificate. The Lender shall have received a certificate of the president or chief financial officer of the Borrower, dated as of the Closing Date and in form and substance reasonably satisfactory to the Lender, certifying that the Borrower and each Subsidiary Guarantor is Solvent.

(g) Consents; Approvals. All approvals, permits and consents of any Governmental Authorities or other Persons required in connection with the execution and delivery of this Agreement or the other Credit Documents shall have been obtained, without the imposition of conditions that are not satisfactory to the Lender, and all related filings, if any, shall have been made, and all such approvals, permits, consents and filings shall be in full force and effect and the Lender shall have received such copies thereof as it shall have reasonably requested.

(h) Lien Searches. The Lender shall have received certified reports from an independent search service satisfactory to it listing any judgment or tax lien filing or Uniform Commercial Code financing statement that names the Borrower, or any of the Borrower's Subsidiaries as debtor in any of the jurisdictions listed beneath its name on Schedule I to the Pledge and Security Agreement, and the results thereof shall be reasonably satisfactory to the Lender.

(i) Recording and Filing. The Lender shall have received evidence that UCC financing statements naming the Borrower as debtor and the Lender as secured party and describing the collateral encumbered by the Security Documents have been duly filed in each jurisdiction necessary to perfect the Liens created by the Security Documents and that all other filings and action needed to provide the Lender with a perfected, first priority security interest in the collateral described in the Security Documents have occurred.

(j) Insurance. The Lender shall have received certificates of insurance evidencing the insurance coverages described on **Schedule 4.18** and all other or additional coverages required under the Security Documents.

(k) No Litigation. No action, proceeding, investigation, regulation or legislation shall have been instituted, threatened or proposed before any court or other governmental authority to enjoin, restrain or prohibit, or to obtain substantial damages in respect of, or that is related to or arises from, the making of the Loans.

(l) Fees. The Borrower shall have paid to the Lender the fees required to be paid to it on the Closing Date.

(m) No Material Adverse Change. Since January 31, 2013, both immediately before and after giving effect to the consummation of this Agreement, there shall not have occurred (i) a Material Adverse Effect or (ii) any event, condition or state of facts that could reasonably be expected to have a Material Adverse Effect.

(n) Legal Opinions. The Borrower shall have delivered to the Lender opinions of counsel to the Borrower dated as of the Closing Date, addressed to the Lender, in form and substance satisfactory to the Lender.

(o) Certain Agreements. (i) Each Affiliated Physician Practice Entity shall have entered into amendments to the Physician Practice Management Agreement and the Intercompany Loan Agreement, in each case, on terms and conditions satisfactory to Lender; (ii) owners of the Capital Stock issued by the Affiliated Physician Practice Entities shall have entered into a Physician Shareholder Agreement on terms and conditions satisfactory to the Lender; and (iii) each of Warren Hosseinion, M.D. and Adrian Vazquez, M.D. shall have entered into employment agreements on terms and conditions satisfactory to the Lender (as such agreements in this clause (iii) are in effect on the Closing Date, the "Executive Employment Agreements"), and each of the Physician Practice Management Agreements and the Physician Shareholder Agreements referred to in clauses (i) and (ii) of this paragraph (o) shall have been assigned to the Lender as part of the collateral pursuant to the Security Documents.

(p) Other Documents. The Lender shall have received such other documents, certificates, opinions, instruments and other evidence as the Lender may reasonably request, all in form and substance satisfactory to the Lender and its counsel.

Notwithstanding the foregoing, the Closing Date shall not occur unless all of the foregoing conditions are satisfied by March 31, 2014.

3.2 Conditions to all Loans. The obligation of the Lender to make any Loan hereunder (including any Loans made on or after the Closing Date), is subject to the continued validity of all Credit Documents and the satisfaction of the following conditions:

(a) The Lender shall have received a notice of borrowing (each a "Notice of Borrowing"), in the form of **Exhibit B**, specifying (i) the aggregate principal amount of the requested Loan to be made pursuant to such Borrowing, which amount shall not be less than $50,000, and (ii) the requested date of such Borrowing, which shall be a Business Day and which shall be at least three Business Days after the Lender receives such Notice of Borrowing (other than any Borrowing on the Closing Date). Each such Notice of Borrowing shall be irrevocable.

(b) Each of the representations and warranties made by the Borrower in **Article IV** shall be true and correct in all material respects (except to the extent any such representation or warranty is qualified as to materiality or by Material Adverse Effect, in which case such representation or warranty shall be true in all respects) on and as of such date with the same effect as if made on and as of such date (except to the extent any such representation or warranty related to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such date (except to the extent any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation or warranty shall be true in all respects as of such date)).

(c) No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the portion of the Loan to be made on such date.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the truth and accuracy of the facts specified in paragraphs (a) and (b) of this Section.

3.3 Post-Closing. The Borrower and the Subsidiary Guarantors shall use reasonable best efforts to comply with **Section 4.10** of the Pledge and Security Agreement within 90 days after the Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement and make the Loans contemplated hereby, the Borrower represents and warrants to the Lender as of the Closing Date and each date of Borrowing as follows:

4.1 Corporate Organization and Power. Each Credit Party (i) is a corporation or a limited liability company duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, as the case may be (which jurisdictions, as of the Closing Date, are set forth on **Schedule 4.1**), (ii) has the full corporate or limited liability company power and authority to execute, deliver and perform the Credit Documents to which it is or will be a party, to own and hold its property and to engage in its business as presently conducted, and (iii) is duly qualified to do business as a foreign corporation or limited liability company and is in good standing in each jurisdiction where the nature of its business or the ownership of its properties requires it to be so qualified, except where the failure to be so qualified, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.2 Authorization; Enforceability. Each Credit Party has taken, or on the Closing Date will have taken, all necessary corporate or limited liability company action, as applicable, to execute, deliver and perform each of the Credit Documents to which it is or will be a party, and has, or on the Closing Date (or any later date of execution and delivery) will have, validly executed and delivered each of the Credit Documents to which it is or will be a party. This Agreement constitutes, and each of the other Credit Documents upon execution and delivery will constitute, the legal, valid and binding obligation of each Credit Party that is a party hereto or thereto, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, by general equitable principles or by principles of good faith and fair dealing (regardless of whether enforcement is sought in equity or at law).

4.3 No Violation. The execution, delivery and performance by each Credit Party of each of the Credit Documents to which it is or will be a party, and compliance by it with the terms hereof and thereof, do not and will not (i) violate any provision of its articles or certificate of incorporation or formation, its bylaws or operating agreement, or other applicable formation or organizational documents, (ii) contravene any other Requirement of Law applicable to it, (iii) conflict with, result in a breach of or constitute (with notice, lapse of time or both) a default under any indenture, mortgage, lease, agreement, contract or other instrument to which it is a party, by which it or any of its properties is bound or to which it is subject, or (iv) except for the Liens granted in favor of the Lender pursuant to the Security Documents, result in or require the creation or imposition of any Lien upon any of its properties, revenues or assets; except, in the case of clauses (ii) and (iii) above, where such violations, conflicts, breaches or defaults, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.4 Governmental and Third-Party Authorization; Permits. No consent, approval, authorization or other action by, notice to, or registration or filing with, any Governmental Authority or other Person is or will be required as a condition to or otherwise in connection with the due execution, delivery and performance by each Credit Party of this Agreement or any of the other Credit Documents to which it is or will be a party or the legality, validity or enforceability hereof or thereof, other than (i) filings of Uniform Commercial Code financing statements and other instruments and actions necessary to perfect the Liens created by the Security Documents, (ii) consents, authorizations and filings that have been (or on or prior to the Closing Date will have been) made or obtained and that are (or on the Closing Date will be) in full force and effect, which consents, authorizations and filings are listed on **Schedule 4.4**, (iii) consents, authorization and filings required under the Securities Act, the Exchange Act and applicable state securities laws, and (iv) consents and filings the failure to obtain or make which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Credit Party has, and is in good standing with respect to, all governmental approvals, licenses, permits and authorizations necessary to conduct its business as presently conducted and to own or lease and operate its properties, except for those the failure to obtain which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.5 Litigation. There are no actions, investigations, suits or proceedings pending or, to the knowledge of the Borrower, threatened, at law, in equity or in arbitration, before any court, other Governmental Authority, arbitrator or other Person, (i) against or affecting any of the Credit Parties or any of their respective properties that, if adversely determined, could reasonably be expected to have a Material Adverse Effect, or (ii) with respect to this Agreement, any of the other Credit Documents or any of the transactions contemplated hereby or thereby.

4.6 Taxes. Each Credit Party has timely filed all federal, state, local and foreign tax returns and reports required to be filed by it and has paid, prior to the date on which penalties would attach thereto or a Lien would attach to any of the properties of a Credit Party if unpaid, all taxes, assessments, fees and other charges levied upon it or upon its properties that are shown thereon as due and payable, other than those that are not yet delinquent or that are being contested in good faith and by proper proceedings and for which adequate reserves have been established in accordance with GAAP. Such returns accurately reflect in all material respects all liability for taxes of the Credit Parties for the periods covered thereby. As of the Closing Date, there is no ongoing audit or examination or, to the knowledge of the Borrower, other investigation by any Governmental Authority of the tax liability of any of the Credit Parties, and there is no material unresolved claim by any Governmental Authority concerning the tax liability of any Credit Party for any period for which tax returns have been or were required to have been filed, other than unsecured claims for which adequate reserves have been established in accordance with GAAP. As of the Closing Date, no Credit Party has waived or extended or has been requested to waive or extend the statute of limitations relating to the payment of any taxes.

4.7 Capitalization.

(a) As of the Closing Date, the authorized Capital Stock of the Borrower consists of (i) 100,000,000 shares of Common Stock, par value $.001 per share, _____ shares of which, as of the close of business on February 28, 2014, were issued and outstanding and no more of which additional shares (excluding any shares issued upon exercise of outstanding options) have been issued between February 28, 2014 and the Closing Date; and (ii) 5,000,000 shares of Preferred Stock, par value $.001 per share, no shares of which as of the Closing Date are issued and outstanding. All of the issued and outstanding shares of Common Stock have been duly authorized and are validly issued, fully paid and non-assessable.

(b) As of the Closing Date, except as contemplated by this Agreement and as disclosed on**Schedule 4.7(b)**, there are (i) no authorized or outstanding securities, rights (preemptive or other), subscriptions, calls, commitments, warrants, options, or other agreements that give any Person the right to purchase, subscribe for, or otherwise receive or be issued Capital Stock of the Borrower or any security convertible into or exchangeable or exercisable for Capital Stock of the Borrower, (ii) no outstanding debt or equity securities of the Borrower that upon the conversion, exchange, or exercise thereof would require the issuance, sale, or transfer by the Borrower of any new or additional Capital Stock of the Borrower (or any other securities of the Borrower which, whether after notice, lapse of time, or payment of monies, are or would be convertible into or exchangeable or exercisable for Capital Stock of the Borrower), (iii) no agreements or commitments obligating the Borrower to repurchase, redeem, or otherwise acquire Capital Stock or other securities of the Borrower or its Subsidiaries, (iv) no agreements or commitments to which the Borrower is a party or is otherwise bound or that otherwise exists to the knowledge of the Borrower with respect to the voting (including, without limitation, any voting trusts or proxies), registration under the Securities Act, or sale or transfer (including, without limitation, agreements relating to preemptive rights, rights of first refusal, rights of first offer, buy-sell rights, co-sale rights or "drag along" rights) of any Capital Stock of the Borrower and (v) no outstanding or authorized stock appreciation rights, phantom stock, stock rights, or other equity-based interests in respect of the Borrower. Except as disclosed on **Schedule 4.7(b)**, as of the Closing Date, the Borrower does not have outstanding any indebtedness that is exercisable or exchangeable for or convertible into Capital Stock of the Borrower.

(c) The Borrower has registered its Common Stock pursuant to Section 12(g) of the Exchange Act. The Common Stock is currently quoted on the OTCQB Marketplace (the "OTCQB") maintained by the OTC Markets Group, Inc. under the symbol "AMEH." The Borrower has not received any oral or written notice from OTC Markets Group that is pending as of the Closing Date that its Common Stock is not eligible or will become ineligible for quotation on the OTCQB nor that its Common Stock does not meet all the requirements for the continuation of such quotation.

(d) **Schedule 4.7(d)** sets forth, as of the Closing Date, as to each Subsidiary Guarantor and, to the knowledge of the Borrower, each other Subsidiary (x) the number of shares, units or other interests of each class of Capital Stock outstanding in each such Subsidiary, and the number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and similar rights and (y) the registered holders of all such Capital Stock of the Subsidiaries and the number of shares, units, interests, options, warrants or other purchase rights held by each. All outstanding shares of Capital Stock of the Subsidiary Guarantors and, to the knowledge of the Borrower, each other Subsidiary are duly and validly issued, fully paid and nonassessable. Except for the shares of Capital Stock and the other equity arrangements expressly indicated on **Schedule 4.7(d)**, as of the Closing Date, there are no shares of Capital Stock, warrants, rights, options or other equity securities, or other Capital Stock of any Subsidiary Guarantor and, to the knowledge of the Borrower, each other Subsidiary outstanding or reserved for any purpose.

4.8 Full Disclosure. All factual information heretofore, contemporaneously or hereafter furnished in writing to the Lender by or on behalf of any Credit Party for purposes of or in connection with this Agreement and the other Credit Documents is or will be true and accurate in all material respects on the date as of which such information is dated or certified (or, if such information has been updated, amended or supplemented, on the date as of which any such update, amendment or supplement is dated or certified) and not made incomplete by omitting to state a material fact necessary to make the statements contained herein and therein, in light of the circumstances under which such information was provided, not misleading; provided that, with respect to projections, budgets and other estimates, except as specifically represented in **Section 4.11(b)**, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. As of the Closing Date, there is no fact known to any Credit Party that has, or could reasonably be expected to have, a Material Adverse Effect, which fact has not been set forth herein, in the financial statements of the Borrower and its Subsidiaries furnished to the Lender, or in any certificate, opinion or other written statement made or furnished by the Borrower to the Lender.

4.9 Margin Regulations. No Credit Party is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. No proceeds of the Loans will be used, directly or indirectly, to purchase or carry any Margin Stock, to extend credit for such purpose or for any other purpose, in each case that would violate or be inconsistent with Regulations T, U or X or any provision of the Exchange Act.

4.10 No Material Adverse Effect. There has been no Material Adverse Effect since January 31, 2013, and there exists no event, condition or state of facts that could reasonably be expected to result in a Material Adverse Effect.

4.11 Financial Matters.

(a) The Borrower has heretofore furnished to the Lender copies of (i) the audited consolidated balance sheets of the Borrower and its Subsidiaries as of January 31, 2013, 2012 and 2011, in each case with the related statements of income, cash flows and stockholders' equity for the fiscal years then ended, together with the opinion of Kabani & Company, Inc. thereon, and (ii) the unaudited consolidated balance sheet of the Borrower and its Subsidiaries as of October 31, 2013, and the related statements of income, cash flows and stockholders' equity for the nine-month period then ended. Such financial statements have been prepared in accordance with GAAP (subject, with respect to the unaudited financial statements, to the absence of notes required by GAAP and to normal year-end adjustments) and present fairly in all material respects the financial condition of the Borrower and its Subsidiaries on a consolidated basis as of the respective dates thereof and the results of operations of the Borrower and its Subsidiaries on a consolidated basis for the respective periods then ended. Except as fully reflected in the most recent financial statements referred to above and the notes thereto, there are no material liabilities or obligations with respect to the Borrower and its Subsidiaries of any nature whatsoever (whether absolute, contingent or otherwise and whether or not due) that are required in accordance with GAAP to be reflected in such financial statements and that are not so reflected.

(b) The Borrower has prepared, and has heretofore furnished to the Lender a copy of the Projections. In the good faith opinion of management of the Borrower, the assumptions used in the preparation of the Projections were fair, complete and reasonable when made and continue to be fair, complete and reasonable as of the date hereof. The Projections have been prepared in good faith by the executive and financial personnel of the Borrower, are complete and represent a reasonable estimate of the future performance and financial condition of the Borrower and its Subsidiaries, subject to the uncertainties and approximations inherent in any projections.

(c) Each Credit Party (i) has capital sufficient to carry on its businesses as conducted and as proposed to be conducted, (ii) has assets with a fair saleable value, determined on a going concern basis, which are (y) not less than the amount required to pay the probable liability on its existing debts as they become absolute and matured and (z) greater than the total amount of its liabilities (including identified contingent liabilities, valued at the amount that can reasonably be expected to become absolute and matured in their ordinary course), and (iii) does not intend to, and does not believe that it will, incur debts or liabilities beyond its ability to pay such debts and liabilities as they mature in their ordinary course.

(d) Since January 31, 2013, there has not been an occurrence of a fraud that involves management or other employees who have a significant role in, the Borrower's internal controls over financial reporting, as described in Section 404 of the Sarbanes-Oxley Act of 2002 and all rules and regulations promulgated thereunder and the accounting and auditing principles, rules, standards and practices promulgated or approved with respect thereto.

(e) Neither (i) the board of directors of any Credit Party, a committee thereof or an authorized officer of any Credit Party has concluded that any financial statement previously furnished to the Lender should no longer be relied upon because of an error, nor (ii) has any Credit Party been advised by its auditors that a previously issued audit report or interim review cannot be relied on.

4.12 Ownership of Properties. Each Credit Party (i) has good and marketable title to all real property owned by it, (ii) holds interests as lessee under valid leases in full force and effect with respect to all material leased real and personal property used in connection with its business, and (iii) has good title to all of its other material properties and assets reflected in the most recent financial statements referred to in **Section 4.11(a)(ii)** (except as sold or otherwise disposed of since the date thereof in the ordinary course of business), in each case free and clear of all Liens other than Permitted Liens. **Schedule 4.12** lists, as of the Closing Date, all Realty of the Credit Parties, indicating in each case the identity of the owner, the address of the property, the nature of use of the premises, and whether such interest is a leasehold or fee ownership interest.

4.13 ERISA.

(a) Each Credit Party and its ERISA Affiliates is in compliance with the applicable provisions of ERISA, and each Plan is and has been administered in compliance with all applicable Requirements of Law, including, without limitation, the applicable provisions of ERISA and the Code, in each case except where the failure so to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No ERISA Event that could reasonably be expected to have a Material Adverse Effect (i) has occurred within the five-year period prior to the Closing Date, (ii) has occurred and is continuing, or (iii) to the knowledge of the Borrower, is reasonably expected to occur with respect to any Plan. Except as could not reasonably be expected to have a Material Adverse Effect, no Plan has any Unfunded Pension Liability as of the most recent annual valuation date applicable thereto, and no Credit Party or any of its ERISA Affiliates has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

(b) No Credit Party or any of its ERISA Affiliates has any outstanding liability on account of a complete or partial withdrawal from any Multiemployer Plan, and no Credit Party or any of its ERISA Affiliates would become subject to any liability under ERISA if any such Credit Party or ERISA Affiliate were to withdraw completely from all Multiemployer Plans as of the most recent valuation date. No Multiemployer Plan is in "reorganization" or is "insolvent" within the meaning of such terms under ERISA.

4.14 Environmental Matters. Except as set forth on **Schedule 4.14**:

(a) No Hazardous Substances are or have been generated, used, located, released, treated, transported, disposed of or stored, currently or in the past, (i) by any Credit Party or (ii) to the knowledge of the Borrower, by any other Person (including any predecessor in interest) or otherwise, in either case in, on, about or to or from any portion of any real property, leased, owned or operated by any Credit Party, except in compliance with all applicable Environmental Laws; no portion of any such real property or, to the knowledge of the Borrower, any other real property at any time leased, owned or operated by any Credit Party is contaminated by any Hazardous Substance; and no portion of any real property leased, owned or operated by any Credit Party is presently or, to the knowledge of the Borrower, has ever been, the subject of an environmental audit, assessment or remedial action.

(b) No portion of any real property leased, owned or operated by any Credit Party has been used by any Credit Party or, to the knowledge of the Borrower, by any other Person, as or for a mine, landfill, dump or other disposal facility, gasoline service station or bulk petroleum products storage facility; and no portion of such real property or any other real property currently or at any time in the past leased, owned or operated by any Credit Party has, pursuant to any Environmental Law, been placed on the "National Priorities List" or "CERCLIS List" (or any similar federal, state or local list) of sites subject to possible environmental problems.

(c) All activities and operations of the Credit Parties are in compliance with the requirements of all applicable Environmental Laws; each Credit Party has obtained all licenses and permits under Environmental Laws necessary to its respective operations, all such licenses and permits are being maintained in good standing, and each Credit Party is in compliance with all terms and conditions of such licenses and permits; and no Credit Party is involved in any suit, action or proceeding, or has received any notice, complaint or other request for information from any Governmental Authority or other Person, with respect to any actual or alleged Environmental Claims, and to the knowledge of the Borrower, there are no threatened Environmental Claims, nor any basis therefor.

4.15 Compliance with Laws. Each Credit Party has timely filed all material reports, documents and other materials required to be filed by it under all applicable Requirements of Law with any Governmental Authority, has retained all material records and documents required to be retained by it under all applicable Requirements of Law, and is otherwise in compliance with all applicable Requirements of Law in respect of the conduct of its business and the ownership and operation of its properties, except in each case to the extent that the failure to comply therewith, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.16 Intellectual Property. Each Credit Party owns, or has the legal right to use, all Intellectual Property necessary for it to conduct its business as currently conducted. **Schedule 4.16** lists, as of the Closing Date, all registered Intellectual Property owned by any Credit Party. No claim has been asserted or is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Borrower know of any such claim, and to the knowledge of the Borrower, the use of such Intellectual Property by any Credit Party does not infringe on the known rights of any Person, except for such claims and infringements that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

4.17 Investment Company Act. No Credit Party is an "investment company," a company "controlled" by an "investment company," or an "investment advisor," within the meaning of the Investment Company Act of 1940, as amended.

4.18 Insurance. **Schedule 4.18** sets forth, as of the Closing Date, an accurate and complete list and a brief description (including the insurer, policy number, type of insurance, coverage limits, deductibles, expiration dates and any special cancellation conditions) of all policies of property and casualty, liability (including, but not limited to, product liability), business interruption, workers' compensation, and other forms of insurance owned or held by the Credit Parties or pursuant to which any of their respective assets are insured. The assets, properties and business of the Credit Parties are insured against such hazards and liabilities, under such coverages and in such amounts, as are customarily maintained by prudent companies similarly situated and under policies issued by insurers of recognized responsibility.

4.19 Material Contracts. **Schedule 4.19** lists, as of the Closing Date, each "material contract" (within the meaning of Item 601(b)(10) of Regulation S-K under the Securities Act) to which any Credit Party is a party, by which any Credit Party or its properties is bound or to which any Credit Party is subject (collectively, "Material Contracts"), and also indicates the parties thereto. As of the Closing Date, (i) each Material Contract is in full force and effect and is enforceable by each Credit Party that is a party thereto in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally, by general or equitable principles or by principles of good faith and fair dealing, and (ii) no Credit Party or, to the knowledge of the Borrower, any other party thereto is in breach of or default under any Material Contract in any material respect or has given notice of termination or cancellation of any Material Contract.

4.20 Security Documents. The provisions of each of the Security Documents (whether executed and delivered prior to or on the Closing Date or thereafter) are and will be effective to create in favor of the Lender a valid and enforceable, first priority security interest in and Lien upon all right, title and interest of each Credit Party that is a party thereto in and to the collateral purported to be pledged by it thereunder and described therein, and upon (i) the initial extension of credit hereunder, (ii) the filing of appropriately completed Uniform Commercial Code financing statements and continuations thereof in the jurisdictions specified therein, (iii) the filing of appropriately completed short-form assignments in the U.S. Patent and Trademark Office and the U.S. Copyright Office, as applicable, and (iv) the possession by the Lender of any certificates evidencing the securities pledged thereby, duly endorsed or accompanied by duly executed stock powers, such security interest and Lien shall constitute from the Closing Date a fully perfected and first priority security interest in and Lien upon such right, title and interest of the applicable Credit Party in and to such collateral, to the extent that such security interest and Lien can be perfected by such filings, actions and possession, subject only to Permitted Liens.

4.21 Labor Relations. No Credit Party is engaged in any unfair labor practice within the meaning of the National Labor Relations Act of 1947, as amended. As of the Closing Date, there is (i) no unfair labor practice complaint before the National Labor Relations Board, or grievance or arbitration proceeding arising out of or under any collective bargaining agreement, pending or, to the knowledge of the Borrower, threatened, against any Credit Party, (ii) no strike, lock-out, slowdown, stoppage, walkout or other labor dispute pending or, to the knowledge of the Borrower, threatened, against any Credit Party, and (iii) to the knowledge of the Borrower, no petition for certification or union election or union organizing activities taking place with respect to any Credit Party. As of the Closing Date, there are no collective bargaining agreements or Multiemployer Plans covering the employees of the Credit Parties.

4.22 No Burdensome Restrictions. No Credit Party is a party to any written agreement or instrument or subject to any other obligations or any charter or corporate restriction or any provision of any applicable Requirement of Law that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

4.23 OFAC; Anti-Terrorism Laws.

(a) No Credit Party is a Sanctioned Person or does business in a Sanctioned Country or with a Sanctioned Person in violation of the economic sanctions of the United States administered by OFAC.

(b) Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the PATRIOT Act, the Trading with the Enemy Act, as amended, the Foreign Corrupt Practices Act or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. The Credit Parties are in compliance in all material respects with the PATRIOT Act.

4.24 Investment Documents. Each of the representations and warranties contained in the Investment Documents made by each Credit Party is true and correct as of the Closing Date. Each of the Credit Parties agrees that, by this reference, such representations and warranties contained in the other Investment Documents by a Credit Party, without limiting any of the representations and warranties otherwise contained herein or in any other Credit Document, hereby are incorporated herein, mutatis mutandis, for the benefit of the Lender.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the termination of the Revolving Credit Commitment and the payment in full in cash of all principal and interest with respect to the Loans, together with all fees, expenses and other amounts then due and owing hereunder:

5.1 Financial Statements. The Borrower will deliver to the Lender:

(a) As soon as available and in any event within 50 days (or, if earlier or up to five Business Days later, if applicable to the Borrower at the time of delivery, the quarterly report deadline as extended by Rule 12b-25 under the Exchange Act rules and regulations and, if such day is not a Business Day, then on the next succeeding Business Day) after the end of each fiscal quarter of each fiscal year (excluding the fourth fiscal quarter of each fiscal year), beginning with the first fiscal quarter for which such financial statements were not delivered as of the Closing Date, unaudited consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such fiscal quarter and unaudited consolidated and consolidating statements of income, cash flows and stockholders' equity for the Borrower and its Subsidiaries for the fiscal quarter then ended and for that portion of the fiscal year then ended, in each case setting forth comparative consolidated figures as of the end of and for the corresponding period in the preceding fiscal year together with comparative budgeted figures for the fiscal period then ended, all in reasonable detail and prepared in accordance with GAAP (subject to the absence of notes required by GAAP and subject to normal year-end adjustments) applied on a basis consistent with that of the preceding quarter or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such quarter;

(b) As soon as available and in any event within 105 days (or, if earlier or up to 15 Business Days later, if applicable to the Borrower at the time of delivery, the annual report deadline as extended by Rule 12b-25 under the Exchange Act rules and regulations and, if such day is not a Business Day, then on the next succeeding Business Day) after the end of each fiscal year, beginning with fiscal year 2014, an audited consolidated and unaudited consolidating balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year and the related audited consolidated and unaudited consolidating statements of income, cash flows and stockholders' equity for the Borrower and its Subsidiaries for the fiscal year then ended, including the notes thereto, in each case setting forth comparative consolidated figures as of the end of and for the preceding fiscal year together with comparative budgeted figures for the fiscal year then ended, all in reasonable detail and (with respect to the audited statements) certified by the independent certified public accounting firm regularly retained by the Borrower or another independent certified public accounting firm of recognized national standing reasonably satisfactory to the Lender, together with (y) a report thereon by such accountants that is not qualified as to scope of audit and to the effect that such financial statements present fairly in all material respects the consolidated financial condition and results of operations of the Borrower and its Subsidiaries as of the dates and for the periods indicated in accordance with GAAP applied on a basis consistent with that of the preceding year or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such year, and (z) a letter from such accountants to the effect that, based on and in connection with their examination of the financial statements of the Borrower and its Subsidiaries, they obtained no knowledge of the occurrence or existence of any Default or Event of Default relating to accounting or financial reporting matters (which certificate may be limited to the extent required by accounting rules or guidelines), or a statement specifying the nature and period of existence of any such Default or Event of Default disclosed by their audit; and

(c) Concurrently with each delivery of the financial statements described in **Sections 5.1(a)** and **5.1(b)**, a report in form and method of analysis similar to the Management's Discussion and Analysis found in an annual report, Form 10-K or Form 10-Q of a publicly registered company, or in such other form as may be satisfactory to the Lender, regarding such topics as the Borrower's financial condition and results of operations, the Borrower's business and corresponding industry and the Borrower's management.

Documents required to be delivered pursuant to **Sections 5.1** or **5.2(c)** (to the extent such documents are included in materials otherwise filed with the U.S. Securities Exchange Commission) may be delivered electronically and if so delivered, will be deemed to have been delivered on the date on which such documents are posted to EDGAR.

5.2 Other Business and Financial Information. The Borrower will deliver to the Lender:

(a) Concurrently with each delivery of the financial statements described in **Sections 5.1(a)** (including with respect to financial statements as of the end of and for the fourth fiscal quarter of each fiscal year) and **5.1(b)**, a Compliance Certificate with respect to the period covered by the financial statements being delivered thereunder, executed by a Financial Officer of the Borrower, together with a Covenant Compliance Worksheet reflecting the computation of the financial covenants set forth in **Article VI** as of the last day of the period covered by such financial statements;

(b) Promptly upon receipt thereof, copies of any "management letter" submitted to any Credit Party by its certified public accountants in connection with each annual, interim or special audit, and promptly upon completion thereof, any response reports from such Credit Party in respect thereof;

(c) Promptly upon the sending, filing or receipt thereof, copies of (i) all financial statements, reports, notices and proxy statements that any Credit Party shall send or make available generally to its shareholders, (ii) all regular, periodic and special reports, registration statements and prospectuses (other than on Form S-8) that any Credit Party shall render to or file with the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. or any national securities exchange, and (iii) all press releases and other statements made available generally by any Credit Party to the public concerning material developments in the business of the Credit Parties;

(d) Promptly upon (and in any event within five Business Days after) any Responsible Officer of any Credit Party obtaining knowledge thereof, written notice of any of the following:

(i) the occurrence of any Default or Event of Default, together with a written statement of a Responsible Officer of the Borrower specifying the nature of such Default or Event of Default, the period of existence thereof and the action that the Borrower has taken and proposes to take with respect thereto;

(ii) the institution or threatened institution of any action, suit, investigation or proceeding against or affecting any Credit Party, including any such investigation or proceeding by any Governmental Authority (other than routine periodic inquiries, investigations or reviews), that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, and any material development in any litigation or other proceeding previously reported pursuant to this Section;

(iii) the receipt by any Credit Party from any Governmental Authority of (A) any notice asserting any failure by any Credit Party to be in compliance with applicable Requirements of Law or that threatens the taking of any action against any Credit Party or sets forth circumstances that, if taken or adversely determined, could reasonably be expected to have a Material Adverse Effect, or (B) any notice of any actual or threatened suspension, limitation or revocation of, failure to renew, or imposition of any restraining order, escrow or impoundment of funds in connection with, any license, permit, accreditation or authorization of any Credit Party, where such action could reasonably be expected to have a Material Adverse Effect;

(iv) the occurrence of any ERISA Event, together with (x) a written statement of a Responsible Officer of the Borrower specifying the details of such ERISA Event and the action that the applicable Credit Party has taken and proposes to take with respect thereto, (y) a copy of any notice with respect to such ERISA Event that may be required to be filed with the PBGC and (z) a copy of any notice delivered by the PBGC to any Credit Party or an ERISA Affiliate with respect to such ERISA Event;

(v) the occurrence of any material default under, or any proposed or threatened termination or cancellation of, any Material Contract or other material contract or agreement to which any Credit Party is a party, in any such case the default under or termination or cancellation of which could reasonably be expected to have a Material Adverse Effect;

(vi) the occurrence of any of the following: (x) the assertion of any Environmental Claim against or affecting any Credit Party or any real property leased, operated or owned by any Credit Party, or any Credit Party's discovery of a basis for any such Environmental Claim; (y) the receipt by any Credit Party of notice of any alleged violation of or noncompliance with any Environmental Laws or release of any Hazardous Substance; or (z) the taking of any investigation, remediation or other responsive action by any Credit Party or any other Person in response to the actual or alleged violation of any Environmental Law by any Credit Party or generation, storage, transport, release, disposal or discharge of any Hazardous Substances on, to, upon or from any real property leased, operated or owned by any Credit Party; but in each case under clauses (x), (y) and (z) above, only to the extent the same could reasonably be expected to have a Material Adverse Effect;

(vii) if the Borrower has not already provided notice to the Lender pursuant to **Section 5.8**, the occurrence of a Permitted Acquisition together with a reasonably detailed description of the material terms of such Permitted Acquisition (including, without limitation, the Acquisition Amount and method and structure of payment) and of each Target that is the subject of such Permitted Acquisition and

(viii) any other matter or event that has, or could reasonably be expected to have, a Material Adverse Effect, together with a written statement of a Responsible Officer of the Borrower setting forth the nature and period of existence thereof and the action that the affected Credit Parties have taken and propose to take with respect thereto;

(e) Concurrently with each delivery of the financial statements described in **Section 5.1(b)**, commencing with respect to the financial statements for fiscal year ended 2015, calculations reflecting the computation of Consolidated EBITDA for the Immaterial Subsidiaries as of the last day of the period covered by such financial statements; and

(f) As promptly as reasonably possible, such other information about the business, condition (financial or otherwise), operations or properties of any Credit Party as the Lender may from time to time reasonably request.

5.3 Existence; Franchises; Maintenance of Properties. The Borrower will, and will cause each of its Subsidiary Guarantors to, (i) maintain and preserve in full force and effect its existence, except as expressly permitted otherwise by **Section 7.1**, (ii) obtain, maintain and preserve in full force and effect all other rights, franchises, licenses, permits, certifications, approvals and authorizations required by Governmental Authorities and necessary to the ownership, occupation or use of its properties or the conduct of its business, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) keep all material properties in good working order and condition (normal wear and tear and damage by casualty excepted) and from time to time make all necessary repairs to and renewals and replacements of such properties, except to the extent that any of such properties are obsolete or are being replaced or, in the good faith judgment of the Borrower, are no longer useful or desirable in the conduct of the business of the Credit Parties.

5.4 Compliance with Laws. The Borrower will, and will cause each of its Subsidiary Guarantors to, comply in all respects with all Requirements of Law applicable in respect of the conduct of its business and the ownership and operation of its properties, except to the extent the failure so to comply could not reasonably be expected to have a Material Adverse Effect.

5.5 Payment of Obligations. The Borrower will, and will cause each of its Subsidiary Guarantors to, (i) pay, discharge or otherwise satisfy at or before maturity all liabilities and obligations as and when due (subject to any applicable subordination, grace and notice provisions), except to the extent failure to do so would not cause an Event of Default pursuant to **Section 8.1(e)**, and (ii) pay and discharge all taxes, assessments and governmental charges or levies imposed upon it, upon its income or profits or upon any of its properties, prior to the date on which penalties would attach thereto, and all lawful claims that, if unpaid, would become a Lien (other than a Permitted Lien) upon any of the properties of any Credit Party; provided, however, that no Credit Party shall be required to pay any such obligation, tax, assessment, charge, levy or claim that is being contested in good faith and, if applicable, by proper proceedings and, if applicable, as to which such Credit Party is maintaining adequate reserves with respect thereto in accordance with GAAP.

5.6 Insurance.

(a) The Borrower will, and will cause each of its Subsidiary Guarantors to, maintain with financially sound and reputable insurance companies insurance with respect to its assets, properties and business, against such hazards and liabilities, of such types and in such amounts, as is customarily maintained by companies in the same or similar businesses similarly situated. Each such policy of insurance shall contain a clause requiring the insurer to give not less than 30 days' prior written notice to the Lender before any cancellation of the policies for any reason whatsoever and shall provide that any loss shall be payable in accordance with the terms thereof notwithstanding any act of any Credit Party that might result in the forfeiture of such insurance.

(b) The Borrower will, and will cause each of its Subsidiary Guarantors to, direct all insurers under policies of property and casualty insurance on the collateral purported to be covered by the Security Documents to pay all proceeds payable thereunder directly to the Lender as loss payee and additional insured, as applicable. The Lender shall hold all such proceeds for the account of the Credit Parties. So long as no Event of Default has occurred and is continuing, and subject **Section 2.2**, the Lender shall, at the Borrower's request, disburse such proceeds as payment for the purpose of replacing or repairing destroyed or damaged assets, as and when required to be paid and upon presentation of evidence satisfactory to the Lender of such required payments and such other documents as the Lender may reasonably request. As and to the extent required by **Section 2.2**, and in any event upon and during the continuance of an Event of Default, the Lender shall apply such proceeds as a prepayment of the Loans in the manner provided in **Section 2.2**.

5.7 Maintenance of Books and Records; Inspection. The Borrower will, and will cause each of its Subsidiary Guarantors to, (i) maintain adequate books, accounts and records, in which full, true and correct entries shall be made of all financial transactions in relation to its business and properties, and prepare all financial statements required under this Agreement, in each case in accordance with GAAP and in compliance with the requirements of any Governmental Authority having jurisdiction over it, and (ii) permit employees or agents of the Lender to visit and inspect its properties and examine or audit its books, records, working papers and accounts and make copies and memoranda of them, and to discuss its affairs, finances and accounts with its officers and employees and, upon notice to the Borrower, the independent public accountants of the Borrower and its Subsidiary Guarantors (and by this provision the Borrower authorizes such accountants to discuss the finances and affairs of the Borrower and its Subsidiary Guarantors), all at such times and from time to time, upon reasonable notice and during business hours, as may be reasonably requested.

5.8 Permitted Acquisitions. In addition to the requirements contained in the definition of Permitted Acquisition and in the other applicable terms and conditions of this Agreement, the Borrower shall, with respect to any Permitted Acquisition in which the corresponding Acquisition Amount exceeds $500,000, comply with, and cause each other applicable Credit Party to comply with, the following covenants:

(a) Not less than ten Business Days prior to the consummation of any Permitted Acquisition, the Borrower shall have delivered to the Lender the following:

(i) a reasonably detailed description of the material terms of such Permitted Acquisition (including, without limitation, the Acquisition Amount and method and structure of payment) and of each Person or business that is the subject of such Permitted Acquisition (each, a "Target");

(ii) audited historical financial statements of the Target (or, if there are two or more Targets that are the subject of such Permitted Acquisition and that are part of the same consolidated group, consolidated historical financial statements for all such Targets) for the two most recent fiscal years available, prepared by a firm of independent certified public accountants reasonably satisfactory to the Lender (or, if audited financial statements are not available, unaudited financial statements for such periods), and (if available) unaudited financial statements for any interim periods since the most recent fiscal year-end;

(iii) consolidated projected income statements of the Borrower and its Subsidiaries (giving effect to such Permitted Acquisition and the consolidation with the Borrower of each relevant Target) for the three-year period following the consummation of such Permitted Acquisition, in reasonable detail, together with any appropriate statement of assumptions and pro forma adjustments;

(iv) with respect to any such Permitted Acquisition in which any Contingent Purchase Price Obligations shall be incurred by the Borrower or any other Credit Party, a copy of the most recent draft of the acquisition agreement (including schedules and exhibits thereto, to the extent available) and other material documents (including the documentation evidencing such Contingent Purchase Price Obligations);

(v) a certificate, in form and substance reasonably satisfactory to the Lender, executed by a Financial Officer of the Borrower setting forth the Acquisition Amount (including a good faith calculation of any Contingent Purchase Price Obligations) and further to the effect that, to the best of such Financial Officer's knowledge, (w) the consummation of such Permitted Acquisition will not result in a violation of any provision of this **Section 5.8** or any other provision of this Agreement, (x) the Borrower shall show pro forma compliance with the financial covenants set forth in **Article VI** (with such covenant calculations to be attached to the certificate using the Covenant Compliance Worksheet), (y) the Borrower believes in good faith that it will continue to comply with such financial covenants for a period of one year following the date of the consummation of such Permitted Acquisition, and (z) after giving effect to such Permitted Acquisition and any Borrowings in connection therewith, the Borrower believes in good faith that it will have sufficient availability hereunder to meet its ongoing working capital requirements; and

(vi) true and correct copies of the final execution copy of the acquisition agreement (including schedules and exhibits thereto) and other material documents and closing papers delivered in connection therewith.

(b) The consummation of each Permitted Acquisition shall be deemed to be a representation and warranty by the Borrower that (except as shall have been approved in writing by the Lender) all conditions thereto set forth in this **Section 5.8** and in the description furnished under **Section 5.8(a)(i)** have been satisfied, that the same is permitted in accordance with the terms of this Agreement, and that the matters certified to by the Financial Officer of the Borrower in the certificate referred to in **Section 5.8(a)(v)** are, to the best of such Financial Officer's knowledge, true and correct in all material respects as of the date such certificate is given, which representation and warranty shall be deemed to be a representation and warranty as of the date thereof for all purposes hereunder.

5.9 Creation or Acquisition of Subsidiaries. Subject to the provisions of **Section 5.8**, the Borrower may from time to time create or acquire new physician practices that will be Subsidiaries hereunder and other new Subsidiaries in connection with Permitted Acquisitions or otherwise, and Subsidiary Guarantors of the Borrower may create or acquire new Subsidiaries; provided that:

(a) Concurrently with (and in any event within ten Business Days after) the creation or direct or indirect acquisition by the Borrower thereof, (i) each such new Subsidiary, other than if such new Subsidiary constitutes an Immaterial Subsidiary, will execute and deliver to the Lender (A) a joinder to the Guaranty, pursuant to which such new Subsidiary shall become a guarantor thereunder and shall guarantee the payment in full of the Obligations of the Borrower under this Agreement and the other Credit Documents and (B) a joinder to the Pledge and Security Agreement, pursuant to which such new Subsidiary shall become a party thereto and shall grant to the Lender a first priority Lien upon and security interest in its accounts receivable, inventory, equipment, general intangibles and other property as collateral for its obligations under the Guaranty, subject only to Permitted Liens, and (ii) other than if such Subsidiary is a physician practice, the Borrower will, or will cause the parent Subsidiary that owns the Capital Stock of such new Subsidiary to, execute and deliver to the Lender an amendment or supplement to the Pledge and Security Agreement pursuant to which all of the Capital Stock so owned by the Borrower or such other Subsidiary shall be pledged to the Lender, together with the certificates evidencing such Capital Stock and undated stock powers duly executed in blank and, in each case, any such other documents and certificates , in form and substance reasonably satisfactory to the Lender, as the Lender may reasonably request in connection therewith;

(b) Concurrently with (and in any event within 10 Business Days after) the creation or acquisition of any new Subsidiary, the Borrower will deliver to the Lender:

(i) (A) a copy of the certificate of incorporation (or other charter documents) of such Subsidiary, certified as of a date that is satisfactory to the Lender by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Subsidiary, (B) a copy of the bylaws or similar organizational document of such Subsidiary, certified on behalf of such Subsidiary as of a date that is satisfactory to the Lender by the corporate secretary or assistant secretary of such Subsidiary, (C) an original certificate of good standing for such Subsidiary issued by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Subsidiary and, (D) other than if such new Subsidiary constitutes an Immaterial Subsidiary, copies of the resolutions of the board of directors and, if required, stockholders or other equity owners of such Subsidiary authorizing the execution, delivery and performance of the agreements, documents and instruments executed pursuant to **Section 5.9(a)**, certified on behalf of such Subsidiary by an Authorized Officer of such Subsidiary, all in form and substance reasonably satisfactory to the Lender;

(ii) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a report of Uniform Commercial Code financing statement, tax and judgment lien searches performed against such Subsidiary in each jurisdiction in which such Subsidiary is incorporated or organized, has a place of business or maintains any assets, which report shall show no Liens on its assets (other than Permitted Liens);

(iii) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a certificate of the secretary or an assistant secretary of such Subsidiary as to the incumbency and signature of the officers executing agreements, documents and instruments executed pursuant to **Section 5.9(a)**;

(iv) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a certificate as to the solvency of such Subsidiary, addressed to the Lender, dated as of the date of creation or acquisition of such Subsidiary and in form and substance reasonably satisfactory to the Lender;

(v) other than if such new Subsidiary constitutes an Immaterial Subsidiary, evidence satisfactory to the Lender that no Default or Event of Default shall exist immediately before or after the creation or acquisition of such Subsidiary or be caused thereby; and

(vi) a certificate executed by an Authorized Officer of the Borrower and, if such Subsidiary does not constitute an Immaterial Subsidiary, such Subsidiary, which shall constitute a representation and warranty by the Borrower and such Subsidiary as of the date of the creation or acquisition of such Subsidiary that all conditions contained in this Agreement to such creation or acquisition have been satisfied, in form and substance reasonably satisfactory to the Lender; and

(c) If the Acquisition involves a physician practice that will be a Subsidiary of the Borrower, other than if such Subsidiary constitutes an Immaterial Subsidiary, concurrently with the creation or direct or indirect acquisition by the Borrower thereof, each such physician practice and the owner of all the Capital Stock issued by such physician practice (or, if there is more than one owner, owners of at least seventy five percent (75%) of the Capital Stock issued by such physician practice) within ten (10) Business Days after the Acquisition shall enter into a Physician Shareholder Agreement, a Physician Practice Management Agreement and collateral assignments thereof to the Lender, in each case on terms and conditions satisfactory to the Lender.

(d) If for any reason and at any time a Subsidiary previously qualifying as an Immaterial Subsidiary no longer qualifies as an Immaterial Subsidiary and such Subsidiary involves a physician practice, such Subsidiary and the owner of all the Capital Stock issued by such Subsidiary (or, if there is more than one owner, owners of at least seventy five percent (75%) of the Capital Stock issued by such Subsidiary) within ten (10) Business Days after the first date such Subsidiary no longer qualifies as an Immaterial Subsidiary shall enter into a Physician Shareholder Agreement, a Physician Practice Management Agreement and collateral assignments thereof to the Lender, in each case on terms and conditions satisfactory to the Lender.

(e) Other than with respect to a new Subsidiary that constitutes an Immaterial Subsidiary, as promptly as reasonably possible, the Borrower and the Subsidiary Guarantors will deliver any such other documents, certificates and opinions, in form and substance reasonably satisfactory to the Lender, as the Lender may reasonably request in connection therewith and will take such other action as the Lender may reasonably request to create in favor of the Lender a perfected security interest in the collateral being pledged pursuant to the documents described above.

5.10 Additional Security.

(a) The Borrower will, and will cause each of the Subsidiary Guarantors to, grant to the Lender from time to time security interests, mortgages and other Liens in and upon such of its assets and properties as are not covered by the Security Documents executed and delivered on the Closing Date or pursuant to **Section 5.9**, and as may be reasonably requested from time to time by the Lender. Such security interests and Liens shall be granted pursuant to documentation in form and substance reasonably satisfactory to the Lender and shall constitute valid and perfected security interests and Liens, subject to no Liens other than Permitted Liens.

(b) If for any reason and at any time a Subsidiary previously qualifying as an Immaterial Subsidiary no longer qualifies as an Immaterial Subsidiary, such Subsidiary will execute and deliver to the Lender within ten (10) Business Days after the first date such Subsidiary no longer qualifies as an Immaterial Subsidiary (A) a joinder to the Guaranty, pursuant to which such Subsidiary shall become a guarantor thereunder and shall guarantee the payment in full of the Obligations of the Borrower under this Agreement and the other Credit Documents, (B) a joinder to the Pledge and Security Agreement, pursuant to which such Subsidiary shall become a party thereto and shall grant to the Lender a first priority Lien upon and security interest in its accounts receivable, inventory, equipment, general intangibles and other property as collateral for its obligations under the Guaranty, subject only to Permitted Liens, and (C) any such other documents, certificates and opinions, in form and substance reasonably satisfactory to the Lender, as the Lender may reasonably request in connection therewith and will take such other action as the Lender may reasonably request to create in favor of the Lender a perfected security interest in the collateral being pledged pursuant to the documents described above.

5.11 Environmental Laws. The Borrower will, and will cause each of the Subsidiary Guarantors to, (i) comply in all material respects with, and use commercially reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply in all material respects with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (ii) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions, required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings or to the extent the failure to conduct or complete any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

5.12 PATRIOT Act Compliance. The Borrower will, and will cause each of the Subsidiary Guarantors to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by the Lender in order to assist the Lender in maintaining compliance with the PATRIOT Act.

5.13 Securities Filings. Each regular, periodic and special report, registration statement and prospectus that any Credit Party shall render to or file with the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. or any national securities exchange shall satisfy all Requirements of Law when such report, registration statement and prospectus is so rendered or filed.

5.14 Further Assurances. The Borrower will, and will cause each of the Subsidiary Guarantors to, make, execute, endorse, acknowledge and deliver any amendments, modifications or supplements hereto and restatements hereof and any other agreements, instruments or documents, and take any and all such other actions, as may from time to time be reasonably requested by the Lender to perfect and maintain the validity and priority of the Liens granted pursuant to the Security Documents and to effect, confirm or further assure or protect and preserve the interests, rights and remedies of the Lender under this Agreement and the other Credit Documents.

5.15 Board Rights. The Lender shall have the rights of the Purchaser set forth in **Sections 6.1** and **6.2** of the Investment Agreement and such rights hereby are incorporated herein, mutatis mutandis, for the benefit of the Lender as if the Lender is the Purchaser under the Investment Agreement. The Lender shall retain such rights under this Agreement after the Investment Agreement is terminated as long as the Term Loan remains outstanding

5.16 Immaterial Subsidiaries. Concurrently with the delivery of the calculations required by **Section 5.2(e)**, and if necessary in order to avoid Immaterial Subsidiaries designated pursuant to clause (ii)(B) of the definition thereof from exceeding an aggregate of 5% of Consolidated EBITDA for the fiscal year of the Borrower most recently ended prior to such date of determination, the Borrower shall remove one or more Subsidiaries from such designation and cause any such Subsidiary to comply with **Sections 5.9(d)** and **5.10(b)**, as applicable.

ARTICLE VI

FINANCIAL COVENANTS

Until the termination of the Revolving Credit Commitment and the payment in full in cash of all principal and interest with respect to the Loans, together with all fees, expenses and other amounts then due and owing hereunder, the Borrower will not:

6.1 Consolidated EBITDA. Permit Consolidated EBITDA as of the last day of each fiscal quarter shown below, calculated on a year-to-date basis for the fiscal year ended March 2016, to be less than the amount corresponding to such fiscal quarter:

Period		Minimum Consolidated EBITDA
2nd fiscal quarter ended September 2015	$	1,000,000
3rd fiscal quarter ended December 2015	$	1,500,000
4th fiscal quarter ended March 2016	$	2,000,000

6.2 Leverage Ratio. Commencing with the Borrower's fiscal quarter ended March 2016 and for each fiscal quarter thereafter, permit Leverage Ratio as of the last day of the fiscal quarter then ended, to be greater than 4.0 to 1.0.

6.3 Fixed Charge Coverage Ratio. Commencing with the Borrower's fiscal quarter ended September 2015 and for each fiscal quarter thereafter, permit the Fixed Charge Coverage Ratio as of the last day of the fiscal quarter then ended, to be less than 1.25 to 1.0.

6.4 Consolidated Tangible Net Worth. Permit Consolidated Tangible Net Worth as of the last day of each fiscal quarter shown below to be less than the amount corresponding to such fiscal quarter:

Period	Consolidated Tangible Net Worth
1st fiscal quarter ended June 2014	$ (3,700,000)
2nd fiscal quarter ended September 2014	$ (3,700,000)
3rd fiscal quarter ended December 2014	$ (3,700,000)
4th fiscal quarter ended March 2015	$ (3,700,000)
1st fiscal quarter ended June 2015	$ (3,700,000)
2nd fiscal quarter ended September 2015	$ (3,700,000)
3rd fiscal quarter ended December 2015	$ 0
4th fiscal quarter ended March 2016 and for each fiscal quarter thereafter	$ 2,000,000

ARTICLE VII

NEGATIVE COVENANTS

Until the termination of the Revolving Credit Commitment and the payment in full in cash of all principal and interest with respect to the Loans, together with all fees, expenses and other amounts then due and owing hereunder:

7.1 Merger; Consolidation. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to liquidate, wind up or dissolve, or enter into any consolidation, merger or other combination, or agree to do any of the foregoing; provided, however, that:

(i) any Wholly Owned Subsidiary of the Borrower may merge or consolidate with, or be liquidated into, (x) the Borrower (so long as the Borrower is the surviving or continuing entity) or (y) any other Wholly Owned Subsidiary (so long as, if either constituent entity is a Subsidiary Guarantor, the surviving or continuing entity is a Subsidiary Guarantor), and in each case so long as no Default or Event of Default has occurred and is continuing or would result therefrom;

(ii) any Wholly Owned Subsidiary of the Borrower may merge or consolidate with another Person (other than another Credit Party), so long as (x) the surviving entity is a Subsidiary Guarantor, (y) such merger or consolidation constitutes a Permitted Acquisition and the applicable conditions and requirements of **Sections 5.8** and **5.9** are satisfied, and (z) no Default or Event of Default has occurred and is continuing or would result therefrom; and

(iii) the Borrower may merge or consolidate with another Person (other than another Credit Party), so long as (x) the Borrower is the surviving entity, (y) such merger or consolidation constitutes a Permitted Acquisition and the applicable conditions and requirements of **Sections 5.8** and **5.9** are satisfied, and (z) no Default or Event of Default has occurred and is continuing or would result therefrom.

7.2 Indebtedness. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, create, incur, assume or suffer to exist any Indebtedness other than (without duplication):

(i) Indebtedness of the Credit Parties in favor of the Lender incurred under this Agreement and the other Credit Documents;

(ii) purchase money Indebtedness of the Borrower and the Subsidiary Guarantors incurred solely to finance the acquisition, construction or improvement of any equipment, real property or other fixed assets in the ordinary course of business (or assumed or acquired by the Borrower and the Subsidiary Guarantors in connection with a Permitted Acquisition or other transaction permitted under this Agreement), including Capitalized Lease Obligations, and any renewals, replacements, refinancings or extensions thereof; provided that all such Indebtedness shall not exceed $50,000 in aggregate principal amount outstanding at any one time;

(iii) unsecured loans and advances (A) by the Borrower or any Subsidiary Guarantor to any Subsidiary Guarantor or (B) by any Subsidiary Guarantor to the Borrower, provided, in each case that any such loan or advance is subordinated in right and time of payment to the Obligations and is evidenced by an Intercompany Note, in form and substance reasonably satisfactory to the Lender and pledged to the Lender pursuant to the Security Documents;

(iv) loans and advances by the Borrower or any Subsidiary Guarantor to an Affiliated Physician Practice Entity that is also a Subsidiary Guarantor so long as (A) such Affiliated Physician Practice Entity is consolidated with the Borrower in accordance with GAAP, (B) such Affiliated Physician Practice Entity is party to a Physician Practice Management Agreement with the Borrower or any Subsidiary and (C) the owner(s) of at least seventy five percent (75%) of the Capital Stock of such Affiliated Physician Practice Entity have entered into a Physician Shareholder Agreement, in each case referred to in clauses (B) and (C) on terms and conditions satisfactory to the Lender, provided that, any such loan or advance is (I) not subordinated in right and time of payment to any other obligations of such Affiliated Physician Practice Entity and (II) made in the ordinary course of business and pursuant to the terms of the Intercompany Loan Agreements and in conjunction with the applicable Physician Practice Management Agreement as then in effect, and such Intercompany Loan Agreement is assigned by way of security to the Lender pursuant to the Security Documents;

(v) loans and advances by the Borrower or any Subsidiary Guarantor to any Immaterial Subsidiary in an aggregate amount not exceeding $50,000 at any one time outstanding; provided, that any such loan or advance is evidenced by an Intercompany Note, in form and substance reasonably satisfactory to the Lender and pledged to the Lender pursuant to the Security Documents;

(vi) Hedge Agreements entered into in the ordinary course of business to manage existing or anticipated interest rate, foreign currency or commodity risks and not for speculative purposes;

(vii) Indebtedness existing on the Closing Date and described in **Schedule 7.2** as in effect as of the Closing Date, which Indebtedness, for the avoidance of doubt hereunder, may not be refinanced, amended, modified or extended;

(viii) Indebtedness consisting of Guaranty Obligations of the Borrower or any of the Subsidiary Guarantors incurred in the ordinary course of business for the benefit of another Credit Party;

(ix) unsecured Indebtedness consisting of (x) Contingent Purchase Price Obligations of the Borrower and the Subsidiary Guarantors or (y) existing Indebtedness of any Person that becomes a Subsidiary of the Borrower, in each case incurred after the Closing Date in connection with a Permitted Acquisition;

(x) Indebtedness arising from any judgment, order, decree or award not constituting an Event of Default under **Section 8.1(j)**;

(xi) Indebtedness that may be deemed to exist pursuant to any performance bond, surety, statutory appeal or similar obligation entered into or incurred by the Borrower or any of the Subsidiary Guarantors in the ordinary course of business;

(xii) Indebtedness of the Borrower and the Subsidiary Guarantors arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of its incurrence;

(xiii) Indebtedness in respect of the Convertible Note in a principal amount not to exceed $2,000,000, and renewals, refinancings, restatements, replacements or extensions of the foregoing in a principal amount not in excess of that outstanding as of the date of such renewal, refinancing or extension (plus the amount of reasonable fees and expenses relating thereto, including, without limitation, contractual or market rate call or tender premiums) and on terms substantially similar to the Convertible Note or no less favorable in any material respect, or with respect to any subordination terms, in any respect, to the Borrower or the Lender; and

(xiv) Indebtedness not otherwise permitted under this **Section 7.2**, provided that such additional Indebtedness is (a) unsecured, (b) taken together with all other Indebtedness permitted under this clause (xii), does not exceed, in the aggregate principal amount outstanding at any time, $50,000, and (c) ranks *pari passu* or junior in right of payment to the Obligations under this Agreement and the other Credit Documents.

7.3 Liens. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, make, create, incur, assume or suffer to exist, any Lien upon or with respect to any part of its property or assets, whether now owned or hereafter acquired, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the Uniform Commercial Code of any state or under any similar recording or notice statute, or agree to do any of the foregoing, other than the following (collectively, "Permitted Liens"):

(i) Liens in favor of the Lender created by or otherwise existing under or in connection with this Agreement and the other Credit Documents;

(ii) Liens in existence on the Closing Date and set forth on **Schedule 7.3**;

(iii) Liens imposed by law, such as Liens of carriers, warehousemen, mechanics, materialmen and landlords, incurred in the ordinary course of business for sums not constituting borrowed money that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required);

(iv) Liens (other than any Lien imposed by ERISA, the creation or incurrence of which would result in an Event of Default under **Section 8.1(m)**) incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure the performance of letters of credit, bids, tenders, statutory obligations, surety and appeal bonds, leases, public or statutory obligations, government contracts and other similar obligations (other than obligations for borrowed money) entered into in the ordinary course of business;

(v) Liens for taxes, assessments or other governmental charges or statutory obligations that are not delinquent or remain payable without any penalty or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required);

(vi) any attachment, judgment or other Lien not constituting an Event of Default under clause (j), (k) or (l) of **Section 8.1**;

(vii) Liens securing the Indebtedness permitted under **Section 7.2(ii)**; provided that (x) any such Lien shall attach to the property or Person being acquired, constructed or improved with such Indebtedness concurrently with or within 90 days after the acquisition (or completion of construction or improvement) or the refinancing thereof by the Borrower or such Subsidiary, (y) the amount of the Indebtedness secured by such Lien shall not exceed 100% of the cost to the Borrower or such Subsidiary of acquiring, constructing or improving the property and any other assets then being financed solely by the same financing source, and (z) any such Lien shall not encumber any other property of the Borrower or any of the Subsidiary Guarantors except assets then being financed solely by the same financing source;

(viii) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code of banks or other financial institutions where the Borrower or any of the Subsidiary Guarantors maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business;

(ix) Liens that arise in favor of banks under Article 4 of the Uniform Commercial Code on items in collection and the documents relating thereto and proceeds thereof;

(x) Liens arising from the filing (for notice purposes only) of UCC-1 financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) in respect of true leases otherwise permitted hereunder;

(xi) with respect to any Realty occupied by the Borrower or any of the Subsidiary Guarantors, (a) all easements, rights of way, reservations, licenses, encroachments, variations and similar restrictions, charges and encumbrances on title that do not secure monetary obligations and do not materially impair the use of such property for its intended purposes or the value thereof, and (b) any other Lien or exception to coverage described in mortgagee policies of title insurance issued in favor of and accepted by the Lender;

(xii) any leases, subleases, licenses or sublicenses granted by the Borrower or any of the Subsidiary Guarantors to third parties in the ordinary course of business and not interfering in any material respect with the business of the Borrower and the Subsidiary Guarantors, and any interest or title of a lessor, sublessor, licensor or sublicensor under any lease or license permitted under this Agreement;

(xiii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Credit Party in the ordinary course of business not materially interfering with the conduct of the business of the Credit Parties taken as a whole;

(xiv) real estate security deposits with respect to leaseholds in the ordinary course of business;

(xv) interests of any collection agency in accounts receivable assigned to it by any Credit Party in the ordinary course of business for the purpose of facilitating the collection of such accounts receivable; and

(xvi) Liens not otherwise permitted under this **Section 7.3**, provided that the obligations secured by such other Liens will not exceed $50,000 in the aggregate at any time outstanding.

7.4 Asset Dispositions. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, make or agree to make any Asset Disposition except for:

(i) the sale or other disposition of inventory and Cash Equivalents in the ordinary course of business, non-exclusive licenses of intellectual property in the ordinary course of business and the sale, discount or write-off of past due or impaired accounts receivable for collection purposes (but not for factoring, securitization or other financing purposes), and the termination or unwinding of Hedge Agreements permitted hereunder;

(ii) the sale or other disposition of assets pursuant to any Casualty Event; provided any Net Cash Proceeds therefrom are reinvested or applied to the prepayment of the Loans in accordance with the provisions of **Section 2.2(d)**;

(iii) the sale, lease or other disposition of assets by the Borrower or any Subsidiary Guarantor to the Borrower or to a Subsidiary Guarantor, in each case so long as no Event of Default shall have occurred and be continuing or would result therefrom;

(iv) the sale, exchange or other disposition in the ordinary course of business of equipment or other assets that are obsolete or no longer used in or necessary for the operations of the Borrower and the Subsidiary Guarantors;

(v) the sale, exchange or disposition of assets incidental to any transactions permitted under **Section 7.1**;

(vi) the sale, exchange or other disposition of assets (other than the Capital Stock of Subsidiaries) outside the ordinary course of business for fair value and for cash; provided that (x) the aggregate amount of proceeds from all such sales or dispositions that are consummated during any fiscal year shall not exceed $250,000, (y) any Net Cash Proceeds shall, to the extent required hereunder, be reinvested or applied to the prepayment of the Loans in accordance with the provisions of **Section 2.2(e)**, and (z) no Default or Event of Default shall have occurred and be continuing or would result therefrom; and

(vii) the sale, exchange or other disposition of Capital Stock as permitted by **Schedule 7.4(vii)**.

7.5 Investments. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, purchase, own, invest in or otherwise acquire any Capital Stock, evidence of indebtedness or other obligation or security or any interest whatsoever in any other Person, or make or permit to exist any loans, advances or extensions of credit to, or any investment in cash or by delivery of property in, any other Person, or purchase or otherwise acquire (whether in one or a series of related transactions) any portion of the assets, business or properties of another Person (including pursuant to an Acquisition), or create or acquire any Subsidiary, or become a partner or joint venturer in any partnership or joint venture (collectively, "Investments"), or make a commitment or otherwise agree to do any of the foregoing, other than:

(i) Investments consisting of Cash Equivalents;

(ii) Investments consisting of the extension of trade credit, the creation of prepaid expenses, the purchase of inventory, supplies, equipment and other assets, and advances to employees, in each case by the Borrower and the Subsidiary Guarantors in the ordinary course of business;

(iii) Investments consisting of loans and advances to employees, officers or directors of the Borrower and the Subsidiary Guarantors in the ordinary course of business not exceeding $25,000 at any time outstanding;

(iv) Investments (including equity securities and debt obligations) of the Borrower and the Subsidiary Guarantors received in connection with the bankruptcy or reorganization of suppliers and customers and in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(v) Investments consisting of intercompany Indebtedness permitted under **clauses (iii), (iv)** and **(v)** of **Section 7.2**;

(vi) Investments existing as of the Closing Date and described in **Schedule 7.5**;

(vii) Investments consisting of the making of capital contributions or the purchase of Capital Stock (x) by the Borrower or any Subsidiary Guarantor in any Affiliate or other Subsidiary that either is a Subsidiary Guarantor immediately prior to, or will be a Subsidiary Guarantor immediately after giving effect to, such Investment; provided that in the case of an Acquisition of any newly created or acquired Subsidiary, the Borrower complies with the provisions of **Sections 5.8** and **5.9** and all requirements of this Agreement applicable to Permitted Acquisitions, and (z) by any Subsidiary Guarantor in the Borrower;

(viii) Permitted Acquisitions;

(ix) Guaranty Obligations constituting Indebtedness to the extent permitted by **Section 7.2(viii)**;

(x) Hedge Agreements to the extent permitted by **Section 7.2(vi)**;

(xi) Investments constituting capital expenditures to the extent otherwise permitted in this Agreement;

(xii) Investments constituting prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits provided to third parties, in each case, in the ordinary course of business; and

(xiii) Investments made pursuant to Physician Practice Management Agreements.

7.6 Restricted Payments.

(a) The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, declare or make any dividend payment, or make any other distribution of cash, property or assets, in respect of any of its Capital Stock or any warrants, rights or options to acquire its Capital Stock, or purchase, redeem, retire or otherwise acquire for value any shares of its Capital Stock or any warrants, rights or options to acquire its Capital Stock, or set aside funds for any of the foregoing, except that:

(i) the Borrower and any of the Subsidiary Guarantors may declare and make dividend payments or other distributions payable solely in its common stock;

(ii) each Wholly Owned Subsidiary of the Borrower may declare and make dividend payments or other distributions to the Borrower or to another Wholly Owned Subsidiary of the Borrower, in each case to the extent not prohibited under applicable Requirements of Law;

(iii) each non-Wholly Owned Subsidiary may declare and make dividend payments to the Borrower and the other equity holders thereof so long as (i) such dividend payments are not prohibited under applicable Requirements of Law and (ii) Apollo Medical Management, Inc. (or another Subsidiary Guarantor of the Borrower that directly owns such non-Wholly Owned Subsidiary) receives at least its proportionate share of each such dividend payments based upon its relative holding of the Capital Stock in such non-Wholly Owned Subsidiary; and

(iv) the Borrower and its Subsidiaries may purchase shares of their Capital Stock as permitted by **Schedule 7.6(a)(iv)** if (A) no Default or Event of Default then exists and (B)(I) in an aggregate amount that shall not exceed $50,000 from the Closing Date until such time as the Borrower delivers its financial statements pursuant to **Section 5.1(a)** for its fiscal quarter ended in December 2015 and, thereafter, (II) in any amount as long as the Borrower shall be in compliance with the financial covenants set forth in **Article VI**, before and after giving effect to any such payment, calculated on a pro forma basis as if any such payment was made at the beginning of the calculation period for each such applicable financial covenant.

(b) The Borrower will not, and will not permit any of the Subsidiary Guarantors to, make any payment in respect of any Contingent Purchase Price Obligations (whether or not such Contingent Purchase Price Obligations constitute Indebtedness) unless (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) immediately after giving effect to such payment, the Borrower is in compliance with the financial covenants contained in **Article VI**, such compliance determined with regard to calculations made on a pro forma basis for the Reference Period most recently ended, calculated in accordance with GAAP as if such payment had been made on the last day of such Reference Period, and the Lender has received a certificate of a Financial Officer of the Borrower to such effect.

7.7 Transactions with Affiliates. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, enter into any transaction (including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service) with any officer, director, stockholder or other Affiliate of the Borrower or any of the Subsidiary Guarantors, except in the ordinary course of its business and upon fair and reasonable terms that are no less favorable to it than it would be obtained in a comparable arm's length transaction with a Person other than an Affiliate of the Borrower or any of the Subsidiary Guarantors; provided, however, that nothing contained in this **Section 7.7** shall prohibit:

(i) transactions described on **Schedule 7.7** (and any renewals or replacements thereof on terms not materially more disadvantageous to the applicable Credit Party) or otherwise expressly permitted under this Agreement;

(ii) transactions among the Borrower and/or the Subsidiary Guarantors not prohibited or contemplated under this Agreement (provided that such transactions shall remain subject to any other applicable limitations and restrictions set forth in this Agreement);

(iii) (A) Equity Issuances with respect to the Borrower's Capital Stock to directors, officers and employees of the Credit Parties pursuant to equity incentive plans, employment, consulting or director agreements or other employment, consulting or director arrangements approved by the Board of Directors (or the compensation committee thereof) of the Borrower; (B) Equity Issuances by Apollomed Accountable Care Organization, Inc. to directors, officers and employees that do not cause an Event of Default pursuant to **Section 8.1(o)**; and (C) Equity Issuances by Maverick Medical Group, Inc. to directors, officers and employees that do not cause a Default or Event of Default;

(iv) the payment by the Borrower of reasonable compensation and benefits to its directors, officers and employees consistent with past practice as of the date hereof; and

(v) the Borrower and the Subsidiary Guarantors entering into, and performing under, Physician Practice Management Agreements, Physician Shareholder Agreements and Intercompany Loan Agreements, each on terms and conditions satisfactory to the Lender.

7.8 Lines of Business. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, engage in any material respect in any lines of business other than the lines of businesses engaged in by it on the Closing Date and businesses and activities reasonably related thereto.

7.9 Sale-Leaseback Transactions. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capitalized Lease, of any property (whether real, personal or mixed, and whether now owned or hereafter acquired) (i) that any Credit Party has sold or transferred (or is to sell or transfer) to a Person that is not a Credit Party or (ii) that any Credit Party intends to use for substantially the same purpose as any other property that, in connection with such lease, has been sold or transferred (or is to be sold or transferred) by a Credit Party to another Person that is not a Credit Party.

7.10 Certain Amendments. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, amend, modify or waive (i) any provision of any Existing Note or the Convertible Note or any private placement memorandum relating thereto, the effect of which would be (A) to increase the principal amount due thereunder or provide for any mandatory prepayments not already provided for by the terms thereof, (B) to increase the applicable interest rate or amount of any fees or costs due thereunder, (C) to amend any of the subordination provisions thereunder (including any of the definitions relating thereto), (D) to make any covenant or event of default therein more restrictive or add any new covenant or event of default, (E) to grant any security or collateral to secure payment thereof or (F) to effect any change in the rights or obligations of the Credit Parties thereunder or of the holders thereof that, in the reasonable determination of the Lender, would be adverse in any material respect to the rights or interests of the Lender, (ii) any provision of its articles or certificate of incorporation or formation, bylaws, operating agreement or other applicable formation or organizational documents, as applicable, the terms of any class or series of its Capital Stock, or any agreement among the holders of its Capital Stock or any of them, in each case other than in a manner that could not reasonably be expected to adversely affect the Lender in any material respect (provided that the Borrower shall give the Lender notice of any such amendment, modification or change, together with certified copies thereof), or (iii) any provision or term of, or the amount of the fees or compensation with respect to, any Physician Practice Management Agreement, Intercompany Loan Agreement, Physician Shareholder Agreement or Executive Employment Agreement without the Lender's written consent.

7.11 Limitation on Certain Restrictions. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction or encumbrance on (a) the ability of the Credit Parties to perform and comply with their respective obligations under the Credit Documents or (b) the ability of any Subsidiary of the Borrower to make any dividend payment or other distribution in respect of its Capital Stock, to repay Indebtedness owed to the Borrower or any other Subsidiary, to make loans or advances to the Borrower or any other Subsidiary, or to transfer any of its assets or properties to the Borrower or any other Subsidiary, except (in the case of clause (b) above only) for such restrictions or encumbrances existing under or by reason of (i) this Agreement and the other Credit Documents, (ii) applicable Requirements of Law, (iii) customary non-assignment provisions in leases and licenses of real or personal property entered into by the Borrower or any Subsidiary as lessee or licensee in the ordinary course of business, restricting the assignment or transfer thereof or of property that is the subject thereof, and (iv) customary restrictions and conditions contained in any agreement relating to the sale of assets (including Capital Stock of a Subsidiary) pending such sale; provided that such restrictions and conditions apply only to the assets being sold and such sale is permitted under this Agreement.

7.12 No Other Negative Pledges. The Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, enter into or suffer to exist any agreement or restriction that, directly or indirectly, prohibits or conditions the creation, incurrence or assumption of any Lien upon or with respect to any part of its property or assets, whether now owned or hereafter acquired, or agree to do any of the foregoing, except for such agreements or restrictions existing under or by reason of (i) this Agreement and the other Credit Documents, (ii) applicable Requirements of Law, (iii) any agreement or instrument creating a Permitted Lien (but only to the extent such agreement or restriction applies to the assets subject to such Permitted Lien), (iv) customary provisions in leases and licenses of real or personal property entered into by the Borrower or any Subsidiary as lessee or licensee in the ordinary course of business, restricting the granting of Liens therein or in property that is the subject thereof, and (v) customary restrictions and conditions contained in any agreement relating to the sale of assets (including Capital Stock of a Subsidiary) pending such sale; provided that such restrictions and conditions apply only to the assets being sold and such sale is permitted under this Agreement.

7.13 Fiscal Year. The Borrower and the Subsidiary Guarantors shall change their fiscal year so that it ends in March, but otherwise the Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, change its fiscal year or its method of determining fiscal quarters.

7.14 Accounting Changes. Other than as permitted pursuant to **Section 1.2**, the Borrower will not, and will not permit or cause any of the Subsidiary Guarantors to, make or permit any material change in its accounting policies or reporting practices, except as may be required by GAAP.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) The Borrower shall fail to (i) pay when due any principal amount payable under this Agreement or under any other Credit Document or (ii) pay any interest, fees or other charges payable under this Agreement or under any other Credit Document within three (3) Business Days after the same becomes due;

(b) The Borrower shall fail to observe or perform any covenant, restriction or agreement contained in **Sections 2.8, 5.1, 5.2(a), 5.2(d)(i), 5.3(i), 5.8 or 5.9** or **Articles VI** or **VII** of this Agreement;

(c) The Borrower or any Subsidiary shall fail to observe or perform any covenant, restriction or agreement contained in this Agreement or any Credit Document and not described in **Sections 8.1(a)** or **(b)** above for fifteen (15) days after the earlier of the Borrower (i) obtaining knowledge of such failure, or (ii) receiving written notice of such failure from the Lender;

(d) Any representation, warranty, certification or statement made or deemed made by the Borrower or any Subsidiary Guarantor in **Article IV** of this Agreement, in any other Credit Document or in any certificate, financial statement or other document delivered pursuant to this Agreement or any other Credit Document shall prove to have been incorrect in any material respect when made or deemed made;

(e) The occurrence and continuance of any default or event of default on the part of the Borrower or any Subsidiary Guarantor (including specifically, but without limitation, defaults due to non-payment) under the terms of any agreement, document or instrument pursuant to which the Borrower or a Subsidiary has incurred any Indebtedness in excess of $50,000, which default would permit acceleration of such indebtedness;

(f) Any Credit Document to which the Borrower or any Subsidiary Guarantor is now or hereafter a party shall for any reason cease to be in full force and effect or any Security Document shall cease to be effective to give the Lender a valid and perfected first priority security interest in and Lien upon the collateral purported to be covered thereby, subject to no Liens other than Permitted Liens, in each case unless any such cessation occurs in accordance with the terms thereof or is due to any act or failure to act on the part of the Lender; or the Borrower or any Subsidiary Guarantor shall assert any of the foregoing; or any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall deny or disaffirm such Subsidiary's obligations under the Guaranty or such;

(g) The Borrower or any Subsidiary Guarantor (i) other than as permitted under **Section 7.1**, files a petition for relief under the Bankruptcy Code or any other insolvency law or seeking to adjudicate it bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fails to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (ii) other than as permitted under **Section 7.1**, takes any corporate action to authorize or effect any of the foregoing actions, (iii) generally fails to pay, or admits in writing its inability to pay, its debts as such debts become due; (iv) shall apply for, seek or consent to, or acquiesce in, the appointment of a custodian, receiver, trustee, examiner, liquidator or similar official for it or for any material portion of its assets; (v) benefits from or is subject to the entry of an order for relief under any bankruptcy or insolvency law; or (vi) makes an assignment for the benefit of creditors;

(h) Failure of the Borrower or any Subsidiary Guarantor within thirty (30) days after the commencement of any proceeding against it seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, to have such proceeding dismissed, or to have all orders or proceedings thereunder affecting the operations or the business of the Borrower or such Subsidiary Guarantor stayed, or failure of the Borrower or such Subsidiary Guarantor within thirty (30) days after the appointment, without its consent or acquiescence, of any custodian, receiver trustee, examiner, liquidator or similar official for it or for any material portion of its assets, to have such appointment vacated;

(i) The Borrower or any Subsidiary Guarantor ceases to be Solvent, or ceases to conduct its business substantially as now conducted or is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs;

(j) The entry of one or more judgments or orders for the payment of money in excess of $50,000 in the aggregate against the Borrower or any Subsidiary Guarantor and such judgment(s) or order(s) shall continue unsatisfied and unstayed for a period of thirty (30) days;

(k) The issuance of a writ of execution, attachment or similar process against the Borrower or any Subsidiary Guarantor which shall not be dismissed, stayed, discharged or bonded within thirty (30) days after the Borrower acquires knowledge thereof;

(l) A notice of Lien, levy or assessment in excess of $50,000 is filed of record with respect to all or any portion of the assets of the Borrower or any Subsidiary Guarantor by the United States, or any department, agency or instrumentality thereof, or by any other Governmental Authority, including, without limitation, the PBGC, or if any taxes or debts in excess of $50,000 owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon any assets of the Borrower or any Subsidiary Guarantor in each case and the same is not satisfied, released, discharged or bonded within thirty (30) days after the same becomes a lien or encumbrance or, in the case of ad valorem taxes, prior to the last day when payment may be made without material penalty;

(m) Any ERISA Event or any other event or condition shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result thereof, together with all other ERISA Events and other events or conditions then existing, the Borrower and its ERISA Affiliates have incurred or would be reasonably likely to incur liability to any one or more Plans or Multiemployer Plans or to the PBGC (or to any combination thereof) in excess of $50,000;

(n) Any one or more licenses, permits, accreditations or authorizations of the Borrower or any Subsidiary Guarantor shall be suspended, limited or terminated or shall not be renewed, or any other action shall be taken, by any Governmental Authority in response to any alleged failure by the Borrower or any of its Subsidiaries to be in compliance with applicable Requirements of Law, and such action, individually or in the aggregate, if the event giving rise to such action is not remediated within thirty (30) days of notice of any of the foregoing events, would be reasonably likely to have a Material Adverse Effect;

(o) Any of the following shall occur: (i) the Borrower, itself or through 100% ownership and control of any of the Subsidiary Guarantors, ceases to own, beneficially and of record, and control 100% of the total Capital Stock of any Subsidiary Guarantor hereunder, other than Apollomed Accountable Care Organization, Inc. or any physician practice that is a Subsidiary, (ii) the Borrower, itself or through 100% ownership and control of any of its Subsidiaries, ceases to own, beneficially and of record, and control 51% of the total Capital Stock of Apollomed Accountable Care Organization, Inc., (iii) any Person, or group of Persons acting in concert shall become the "beneficial owner" of Capital Stock of the Borrower representing 35% or more of (x) the combined voting power of the then outstanding Capital Stock of the Borrower ordinarily having the right to vote in the election of directors or (y) all Capital Stock of the Borrower, (iv) Warren Hosseinion, M.D. shall cease to serve as a senior executive pursuant to his Executive Employment Agreement unless (A) because of his death or disability or (B) the Borrower hires a new senior executive within thirty (30) days after Warren Hosseinion, M.D. ceases to serve as senior executive and who is reasonably satisfactory to Lender, (v) any Physician Practice Management Agreement or Physician Shareholder Agreement is terminated, for any reason, unless any such agreement is replaced concurrently with its termination by another agreement in form and substance satisfactory to the Lender in its sole discretion and the Lender has provided its written confirmation of such satisfaction prior to the termination of such agreement, or (vi) during any period of up to twelve (12) consecutive months, commencing after the Closing Date, individuals who at the beginning of such twelve (12) month period were directors of the Borrower (together with any new director whose election by the Borrower's board of directors or whose nomination for election by Borrower's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors of the Borrower then in office; or

(p) The occurrence of an Event of Default under, and as defined in, the Convertible Note.

8.2 Remedies. Upon the occurrence and during the continuance of any Event of Default:

(a) Termination of Revolving Credit Commitment; Acceleration of Indebtedness. The Lender may, in its sole discretion, (i) terminate the Revolving Credit Commitment, which shall thereupon terminate; (ii) declare all or any part of the Loans immediately due and payable, whereupon such Loans shall become immediately due and payable without presentment, demand, protest, notice or legal process of any kind, all of which are hereby expressly waived by the Borrower; provided, however, that all Loans shall automatically become due and payable upon the occurrence of an Event of Default under **Sections 8.1(f)** or **(h)**; and (iii) pursue all other remedies available to it by contract, at law or in equity, including but not limited to its rights under the Security Documents.

(b) Rights and Remedies Cumulative; Non-Waiver; etc. The enumeration of the Lender's rights and remedies set forth in this Agreement is not intended to be exhaustive and the exercise by the Lender of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder, under the other Credit Documents or under any other agreement between the Borrower and the Lender or that may now or hereafter exist in law or in equity or by suit or otherwise. No delay or failure to take action on the part of the Lender in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between the Borrower and the Lender or their agents or employees shall be effective to change, modify or discharge any provision of this Agreement or any of the other Credit Documents or to constitute a waiver of any Event of Default.

ARTICLE IX

MISCELLANEOUS

9.1 Costs, Expenses and Taxes. The Borrower agrees to pay on demand all reasonable out-of-pocket expenses of the Lender, including reasonable fees and disbursements of counsel, in connection with: (i) any amendments, supplements, consents or waivers hereto or to the Credit Documents because of actual or prospective Defaults or Events of Default, and (ii) the enforcement of this Agreement and the other Credit Documents. In addition, the Borrower shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the other Credit Documents and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. It is the intention of the parties hereto that the Borrower shall pay amounts referred to in this Section directly. In the event the Lender pays any of the amounts referred to in this Section directly, the Borrower will reimburse the Lender for such advances and interest on such advance shall accrue until reimbursed at the Default Rate applicable for the Term Loan.

9.2 Indemnification. From and at all times after the date of this Agreement, and in addition to all of the Lender's other rights and remedies against the Borrower, the Borrower agrees to indemnify, defend and hold harmless the Lender and its directors, officers, employees, agents, successors, assigns and affiliates from and against the following (collectively "Costs"): any and all claims (whether valid or not), losses, damages, actions, suits, inquiries, investigations, administrative proceedings, judgments, liens, liabilities, penalties, fines, amounts paid in settlement, requirements of Governmental Authorities, punitive damages, interest, damages to natural resources and other costs and expenses of any kind or nature whatsoever (including without limitation reasonable attorneys' fees and expenses, court costs and fees, and consultant and expert witness fees and expenses) arising in any manner, directly or indirectly, out of or by reason of (a) the negotiation, preparation, execution, performance of this Agreement or the other Credit Documents, or any transaction contemplated herein or therein, whether or not the Lender or any other party protected under this Section is a party to any action, proceeding or suit in question, or the target of any inquiry or investigation in question; provided, however, that no indemnified party shall have the right to be indemnified hereunder for any liability resulting from such indemnified party's willful misconduct, gross negligence, willful misconduct or breach of any of its covenants hereunder or under any other Credit Document (as finally determined by a court of competent jurisdiction); and, provided, further, that no indemnified party shall have the right to be reimbursed hereunder for typical "closing" costs incurred in connection with the negotiation, preparation and execution of this Agreement or the other Credit Documents, (b) any breach of any of the covenants, warranties or representations of the Borrower hereunder or under any other Credit Document, (c) any lien or charge upon amounts payable hereunder by the Borrower to the Lender or any taxes, assessments, impositions and other charges in respect of the collateral described in the Security Documents, (d) damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to any such collateral or the use thereof, (e) any violation or alleged violation of any Environmental Law, federal or state securities law, common law, equitable requirement or other legal requirement by the Borrower or with respect to any property owned, leased or operated by the Borrower (in the past, currently or in the future), or (f) any presence, generation, treatment, storage, disposal, transport, movement, release, suspected release or threatened release of any Hazardous Substance on, in, to or from any property (or any part thereof including without limitation the soil and groundwater thereon and thereunder) owned, leased or operated by the Borrower (in the past, currently or in the future).

All Costs shall be additional Obligations of the Borrower under this Agreement, shall be payable on demand to the party to be indemnified, and shall be secured by the lien of the Security Documents.

Without limiting the foregoing, the Borrower shall be obligated to pay, on demand, the costs of any investigation, monitoring, assessment, enforcement, removal, remediation, restoration or other response or corrective action undertaken by the Lender or any other indemnified party, or their respective agents, with respect to any property owned, leased or operated by the Borrower.

It is expressly understood and agreed that the obligations of the Borrower under this Section shall not be limited to any extent by payment of the Obligations and termination of this Agreement and shall remain in full force and effect until expressly terminated by the Lender in writing.

9.3 Consent to Jurisdiction; Waiver of Jury Trial. AS PART OF THE CONSIDERATION FOR NEW VALUE THIS DAY RECEIVED, EACH OF THE BORROWER AND THE LENDER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF THE STATE OF NEW YORK AND THE COURTS OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN FOR ANY ACTION TO WHICH THE BORROWER AND THE LENDER ARE PARTIES. TO THE EXTENT PERMITTED BY LAW, EACH OF THE BORROWER AND THE LENDER WAIVES TRIAL BY JURY AND WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON LACK OF JURISDICTION OR IMPROPER VENUE OR *FORUM NON CONVENIENS* TO THE CONDUCT OF ANY ACTION INSTITUTED HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS, OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER CREDIT DOCUMENTS, OR ANY OTHER PROCEEDING TO WHICH THE BORROWER OR THE LENDER IS A PARTY, INCLUDING ANY ACTIONS BASED UPON, ARISING OUT OF OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE LENDER OR THE BORROWER. THE BORROWER ALSO CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

9.4 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses:

Party	Address
Borrower	Apollo Medical Holdings, Inc. 700 N. Brand Blvd., Suite 220 Glendale, California 91203 Attention: Chief Financial Officer Telephone: (818) 396-8050 Fax: (818) 844-3888

Lender	NNA of Nevada, Inc. 920 Winter Street Waltham, Massachusetts 02451 Attention: Mark Fawcett/Christine Smith Telephone: (781) 699-2668/(781) 699-9165 Fax:(781) 699-9756

The Borrower or the Lender may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

9.5 Continuing Obligations. All agreements, representations and warranties contained herein or made in writing by or on behalf of the Borrower in connection with the transactions contemplated hereby shall survive the execution and delivery of this Agreement and the other Credit Documents. The Borrower further agrees that to the extent the Borrower makes a payment to the Lender, which payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy, insolvency or other similar state or federal statute, or principle of equity, then, to the extent of such repayment by the Lender, the Obligation or part thereof intended to be satisfied by such payment shall be revived and continued in full force and effect as if such payment had not been received by the Lender.

9.6 Confidential Information. In the event the Receiving Party (including its officers, employees, counsel, accountants, partners and other authorized representatives) obtains or has obtained from the Disclosing Party any Confidential Information, the Receiving Party (i) shall treat all such Confidential Information as confidential, (ii) shall use such Confidential Information only for the purposes contemplated in the Credit Documents and the Investment Agreement (and related documents), (iii) shall protect such Confidential Information with the same degree of care as the Receiving Party uses to protect its own confidential and proprietary information against public disclosure, but in no case with less than reasonable care, and (iv) shall not disclose such Confidential Information to any third party except to such officers, employees, counsel, accountants, partners and other authorized representatives of the Receiving Party, its Affiliates or potential permitted transferees of the Receiving Party's rights under this Agreement and the other Credit Documents who need to know such Confidential Information for any proper purpose related to the Credit Documents or any transaction contemplated thereby and who have been informed of and have agreed in writing to protect the confidential nature of such Confidential Information and not to use such Confidential Information for any unlawful purpose (and the Receiving Party shall be responsible for compliance with this **Section 9.6** by its and its Affiliates' officers, employees, counsel, accountants, partners and other authorized representatives) or to the extent required by applicable Requirements of Law, provided that, if not prohibited by applicable Requirements of Law, the Receiving Party will (i) provide reasonable advance notice to the Disclosing Party of such disclosure so that the Disclosing Party may seek an appropriate protective order and (ii) to cooperate with the Disclosing Party, at the Disclosing Party's expense, to obtain such protective order. Each party agrees that, due to the unique nature of the Confidential Information, the unauthorized disclosure or use of any Confidential Information of the Disclosing Party may cause irreparable harm and significant injury to the Disclosing Party, the extent of which may be difficult to ascertain and for which there may be no adequate remedy at law. Accordingly, each party agrees that the Disclosing Party, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief enjoining any breach or threatened breach of this **Section 9.6** without the necessity of posting any bond or other security. The Receiving Party shall notify the Disclosing Party in writing immediately upon the Receiving Party's becoming aware of any such breach or threatened breach. Notwithstanding anything to the contrary set forth in this Agreement, any other Credit Document or any Investment Document, this **Section 9.6** shall survive the termination of this Agreement.

9.7 Controlling Law. This Agreement and, unless otherwise provided in any other Credit Document, the other Credit Documents shall be governed by and interpreted in accordance with the laws of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

9.8 Successors and Assigns. This Agreement shall be binding upon the Borrower and its successors and assigns and all rights against the Borrower arising under this Agreement shall be for the sole benefit of the Lender.

9.9 Assignment and Sale. The Borrower may not sell, assign or transfer this Agreement or any of the other Credit Documents or any portion hereof or thereof, including without limitation the Borrower's rights, title, interests, remedies, powers, and duties hereunder or thereunder. The Lender may not sell, assign or transfer this Agreement or any of the other Credit Documents or any portion hereof or thereof, including without limitation the Lender's rights, title, interests, remedies, powers, and duties hereunder or thereunder, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of the Borrower as determined reasonably and in good faith by the Board of Directors of the Borrower. Subject to the foregoing, nothing in this Agreement or any other Credit Document shall prohibit the Lender from pledging or assigning this Agreement and the Lender's rights under any of the other Credit Documents, including collateral therefor, so long as any such pledgee or assignee is a "United States Person" for purposes of Section 7701(a)(30) of the Code. Any attempted assignment, delegation or transfer in violation of this **Section 9.9** shall be void and of no force and effect.

9.10 Entire Agreement. THIS AGREEMENT AND THE OTHER INVESTMENT DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HEREWITH EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9.11 Amendment. Any provision of this Agreement or any other Credit Document to which the Borrower is a party may be amended if such amendment is in writing and is signed by the Borrower and the Lender. In connection with any amendment entered into in accordance with this Section, the Borrower shall pay to the Lender a fee to be negotiated between the Borrower and the Lender. Payment of such fee by the Borrower to the Lender shall be a condition precedent to the effectiveness of such amendment and shall be due on the date such amendment is signed by the Lender.

9.12 Severability. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not invalidate or render unenforceable any other provision hereof.

9.13 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, together shall constitute but one and the same instrument.

9.14 Captions. The captions to the various sections and subsections of this Agreement have been inserted for convenience only and shall not limit or affect any of the terms hereof.

9.15 Termination of Existing Credit Agreement. Upon the Closing Date and except with respect to any provisions which by their terms survive termination, the Existing Credit Agreement and the other Credit Documents (as defined in the Existing Credit Agreement) shall be deemed to be terminated without any further action by the parties thereto.

9.16 Public Announcements. The Borrower and the Lender shall consult with each other before issuing any press release or other public disclosure with respect to this Agreement or the transactions contemplated hereby and neither shall issue any such press release or make any such public statement with respect thereto without the prior consent of the other, which consent shall not be unreasonably withheld, delayed or conditioned; *provided, however*, that a party may, without the prior consent of the other party, issue such press release or make such public disclosure as may upon the advice of counsel be required by Law or by the rules of the OTCQB, *provided* that, to the extent time permits, such party has used all commercially reasonable efforts to consult with the other party prior thereto. The Borrower and the Lender agree that the initial press release or other public disclosure relating to this Agreement and the transactions contemplated herein shall state, among other things, that the Lender is an Affiliate of Fresenius Medical Care Holdings, Inc.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

BORROWER:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

LENDER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

INVESTMENT AGREEMENT

between

APOLLO MEDICAL HOLDINGS, INC.

and

NNA OF NEVADA, INC.

March 28, 2014

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INVESTMENT AGREEMENT

THIS INVESTMENT AGREEMENT, dated as of March 28, 2014 (the "Effective Date"), is entered into by and between Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), and NNA of Nevada, Inc., a Nevada corporation ("Purchaser").

BACKGROUND STATEMENT

A. In connection with the consummation of the transactions contemplated by this Agreement, Company and Purchaser are entering into a credit agreement, dated as of March 28, 2014, pursuant to which Purchaser, as lender, will provide to Company, as borrower, (i) a revolving credit facility of up to $1,000,000 and (ii) a term loan of $7,000,000 (such credit agreement, as amended, restated, refinanced, extended, renewed, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. Upon the terms and subject to the conditions set forth in this Agreement, Company wishes to sell to Purchaser and Purchaser wishes to purchase from Company the following: (i) a convertible note of Company providing an option for Company to borrow $2,000,000 pursuant to the terms thereof, (ii) 2,000,000 shares of Common Stock of Company, $.001 par value, at a price of $1.00 per share, (iii) warrants to purchase 1,000,000 shares of Common Stock at an exercise price of $1.00 per share if Company borrows under the convertible note as described in clause (i) above, (iv) warrants to purchase 1,000,000 shares of Common Stock at an exercise price of $1.00 per share in connection with Purchaser's purchase of Common Stock referenced in clause (ii) above, and (v) (a) warrants to purchase 1,000,000 shares of Company's Common Stock at an exercise price of $1.00 per share and (b) warrants to purchase 2,000,000 shares of Company's Common Stock at an exercise price of $2.00 per share, each in connection with the loans extended by Purchaser pursuant to the Credit Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. In addition to the words and terms defined elsewhere in this Agreement, the following terms when used herein shall have the following respective meanings:

"Acquisition" means any transaction or series of related transactions, consummated on or after the Effective Date, by which Company or any of its Subsidiaries, (i) acquires all or substantially all of the assets of any Person or any going business, division thereof or line of business, whether through purchase of assets, merger or otherwise, (ii) acquires Capital Stock of any Person having at least a majority of combined voting power of the then outstanding Capital Stock of such Person or (iii) enters into a Physician Practice Management Agreement (as defined in the Convertible Note), some other physician practice management agreement or such other agreement with another Person and the effect of which is to cause such Person to be consolidated with Company in accordance with GAAP.

"Affiliate" means, as to any Person, (i) any other Person which directly, or indirectly through one or more intermediaries, controls such Person or is consolidated with such Person in accordance with GAAP, (ii) any other Person which directly, or indirectly through one or more intermediaries, is controlled by or is under common control with such Person, or (iii) any other Person of which such Person owns, directly or indirectly, ten percent (10%) or more of the common stock or equivalent equity interests. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or otherwise.

"Agreement" means this Investment Agreement and all schedules and exhibits hereto, together with any amendments, modifications, replacements and supplements hereto, any substitutes herefor, and any replacements, renewals or extensions hereof, in whole or in part, and shall refer to this Agreement as the same may be in effect at the time such reference becomes operative.

"Business Day" means any day of the year on which banks are open for business in Waltham, Massachusetts.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock (whether voting or nonvoting, and whether common or preferred) of such corporation, and (ii) with respect to any Person that is not a corporation, any and all partnership, membership, limited liability company or other equity interests of such Person; and in each case, any and all warrants, rights or options to purchase any of the foregoing.

"Capital Stock Equivalents" means any evidences of indebtedness, shares of capital stock or other securities (including without limitation the Warrants and Convertible Note) that are convertible into or exchangeable for, with or without payment of additional consideration in cash or property, shares of Capital Stock, and any and all options, warrants or other securities or rights to subscribe for, purchase or otherwise acquire shares of Capital Stock or any of the foregoing and any other security or instrument representing, convertible into or exchangeable for Capital Stock or any of the foregoing, in each case whether or not immediately exercisable.

"Common Stock" means common stock of Company.

"Common Stock Equivalents" means any evidences of indebtedness, Capital Stock, shares of stock or other securities (including without limitation the Warrants and Convertible Note) that are convertible into or exchangeable for, with or without payment of additional consideration in cash or property, shares of Common Stock, and any options, warrants or other securities or rights to subscribe for, purchase or otherwise acquire shares of Common Stock or any of the foregoing, in each case whether or not immediately exercisable.

"Company Board" means the Board of Directors of Company and each board of directors of the Subsidiaries of which Company owns, directly or indirectly, more than fifty percent (50%) of the voting securities thereof.

"Company Parties" means Company and the Subsidiary Guarantors.

"Confidential Information" means, with respect to a party hereto or any of its Affiliates (the 'Disclosing Party"), any and all confidential or proprietary information and material disclosed by the Disclosing Party to the other party hereto or any of its Affiliates (the "Receiving Party") or obtained by the Receiving Party through inspection or observation of the Disclosing Party's property or facilities (whether in writing, or in oral, graphic, electronic or any other form), whether disclosed or obtained before, on or after the Effective Date, including any (a) trade secret, know-how, idea, invention, process, technique, algorithm, program (whether in source code or object code form), hardware, device, design, schematic, drawing, formula, data, plan, strategy and forecast of, and (b) technical, engineering, manufacturing, product, marketing, servicing, financial, personnel, log-in or identification passwords and other information and materials of, the Disclosing Party and its employees, consultants, investors, Affiliates, licensors, suppliers, vendors, customers, clients and other Persons, *provided*, that Confidential Information shall not include any such information which (a) was in the public domain on the Closing Date or comes into the public domain other than through the fault or negligence of the other party hereto (the "Receiving Party") or any of its Affiliates, (b) was lawfully obtained by the Receiving Party from a third party, but only to the extent that such source is not known by the Receiving Party to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party or any other party with respect to such information, (c) was known to the Receiving Party or any of its Affiliates at the time of disclosure of such Confidential Information to the Receiving Party by the Disclosing Party, *provided* that the Receiving Party was not, at such time, subject to any confidentiality obligation to the Disclosing Party with respect thereto, or (d) was independently developed by the Receiving Party without making use of any Confidential Information. For the avoidance of doubt, it is expressly agreed and understood that (i) financial projections of Company were disclosed by Company to Purchaser (or any person on behalf of the Purchaser) on March 4, 2014 and on March 11, 2014 (collectively, the "Projections") as required by Purchaser and the Projections were prior to the date hereof subject to the confidentiality provisions of Section 9.6 of the Credit Agreement, dated as of October 15, 2013, as amended by the First Amendment To Credit Agreement, dated as of December 20, 2013 (as so amended, the "Existing Credit Agreement"), (ii) information that was subject to the confidentiality provisions of Section 9.6 of the Existing Credit Agreement, including the Projections, shall be deemed Confidential Information and subject to the confidentiality provisions of **Section 5.9**, and (iii) Purchaser acknowledges that the Projections have only been used to determine the financial covenants in the Convertible Note and the Credit Agreement and shall not be used for any other purpose

"Convertible Note" means the Convertible Note of Company providing an option for Company to borrow $2,000,000 pursuant to the terms thereof and substantially in the form of Exhibit A to be issued in accordance with**ARTICLE II**.

"Credit Documents" has the meaning set forth in the Credit Agreement.

"Equity-Based Payments" means any payments arising out of or in connection with any phantom equity rights, equity appreciation rights, profits interests, bonuses or other payments calculated in reference to the valuation or changes in valuation of Company's equity, including without limitation, any phantom equity, profits interests and/or similar rights granted by Company pursuant to any employment or consulting agreement or any employee benefit plan.

"Exempt Issuance" means the issuance of (a) shares of Common Stock, options or other Common Stock Equivalents, in each case at or above Fair Market Value of Common Stock at the time of issuance, to employees, consultants, officers or directors of Company pursuant to the 2013 Equity Incentive Plan, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder, (c) Common Stock Equivalents listed on **Schedule 3.6(b)**, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, (d) shares of Common Stock pursuant to the conversion or exercise of Common Stock Equivalents previously treated as a Subsequent Issuance for the anti-dilution protection in the Warrants and the Convertible Note and a New Security for the subscription rights in Section 6.3, (e) shares of Common Stock and Common Stock Equivalents issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company Board, provided that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of Company and shall provide to Company additional benefits in addition to the investment of funds, but shall not include a transaction in which Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, and (f) shares of Common Stock in a bona fide, firmly underwritten public offering pursuant to a registration statement under the Securities Act, and with a purchase price per share of at least $2.00 (such offering pursuant to this clause (f), a "Qualified IPO").

"Exchange Act" means the Securities Exchange Act of 1934, as amended, as in effect from time to time (except as provided herein).

"Fair Market Value" means, with respect to a share of Common Stock, an option or other Common Stock Equivalent issued by Company, for any date, the price determined by the first of the following clauses that applies: (a) the average of the daily volume weighted average trading price of the Common Stock for the five Trading Days immediately prior to such date on the Principal Trading Market, or (b) if the Common Stock is not so listed or quoted, as reasonably determined by the Company Board in good faith; provided, that in connection with an Acquisition, the Fair Market Value shall be determined based upon the cash and fair market value of any securities and other consideration as would be received for such Common Stock.

"Fully Diluted Basis" means, with respect to the Common Stock, as of any date of determination, the number of shares of outstanding Common Stock as of such date plus, without duplication, the maximum number of shares of Common Stock issuable as of such date upon exercise of the purchase, conversion or exchange rights associated with all issued and outstanding Common Stock Equivalents.

"GAAP" means generally accepted accounting principles, as recognized by the American Institute of Certified Public Accountants, consistently applied and maintained on a consistent basis for Company and its Subsidiaries on a consolidated basis throughout the period indicated and consistent with the financial practice of Company and its Subsidiaries prior to the Effective Date.

"Governmental Authority" means any nation or government, any state, department, agency or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Guaranty" means a guaranty agreement, dated as of the Effective Date, made by the Subsidiary Guarantors in favor of Purchaser, as amended, modified, restated and supplemented from time to time.

"Laws" mean all United States and foreign national, federal, state, and local laws, statutes, ordinances, rules or regulations.

"Liabilities" means, in respect of a Person, all indebtedness, obligations, and other liabilities of such Person, whether absolute, accrued, contingent, known or unknown, fixed or otherwise, or whether due or to become due.

"Lien" means any interest in property securing an obligation owed to, or claim by, a Person other than the owner of such property, whether such interest arises by virtue of contract, statute or common law, including but not limited to the lien or security interest arising from a mortgage, security agreement, pledge, lease, conditional sale, consignment or bailment for security purposes or from attachment, judgment or execution. The term "Lien" shall include any easements, covenants, restrictions, conditions, encroachments, reservations, rights-of-way, leases and other title exceptions and encumbrances affecting real property. For the purpose of this Agreement, Company Parties shall be deemed to own, subject to a Lien, any proceeds of a sale with recourse of accounts receivable, any asset leased under any "sale and lease back" or similar arrangement and any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Material Adverse Effect" means a material adverse effect upon, or a material adverse change in, any of (i) the financial condition, operations, business or properties of Company Parties, taken as a whole, (ii) the ability of Company Parties to perform under this Agreement or any other Transaction Document in any material respect or any other material contract in any material respect to which any one or more of them is a party; (iii) the legality, validity or enforceability of this Agreement or any other Transaction Document; or (iv) the rights and remedies of Purchaser under this Agreement or any other Transaction Document (other than a change resulting from any act or omission by Purchaser), except with respect to clauses (ii) and (iv), the failure of Company to perform its obligations under Section 2(c) of the Registration Rights Agreement related to or resulting from (A) a change in the financial, banking or securities markets generally (including any disruption thereof and any decline in the price of any security or any market index), (B) changes in Laws or other binding directives issued by any Governmental Authority or (C) the failure for any reason whatsoever (other than because of any failure of Company to perform the covenants and obligations within its control under the Registration Rights Agreement) of the SEC to declare effective any registration statement of Company as required under the Registration Rights Agreement.

"NASDAQ" means the NASDAQ Stock Market or, when used with reference to a particular market tier of the NASDAQ Stock Market, including without limitation the NASDAQ Global Select Market or NASDAQ Global Market, means and includes that particular market tier and its related listing criteria and rules.

"Order" means any order, judgment, injunction, edict, decree, ruling, pronouncement, determination, decision, opinion, sentence, subpoena, writ or award issued, made, entered or rendered by (i) any court, administrative agency or other Governmental Authority or (ii) any arbitrator that is legally binding.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Principal Trading Market**"** means the OTC Markets Group, Inc.'s OTCQB Marketplace, NASDAQ, or, if the Common Stock is not listed or traded on a marketplace maintained by either the OTC Markets Group, Inc. or NASDAQ, the national securities exchange, automated quotation system or other securities trading market on which the Common Stock is then primarily listed or quoted.

"Purchase Shares" means the 2,000,000 shares of Common Stock to be purchased and sold in accordance with**ARTICLE II**.

"Registration Rights Agreement" means the registration rights agreement in the form ofExhibit C to be entered into by Purchaser and Company on the Closing Date.

"Sarbanes-Oxley Act" means the Sarbanes-Oxley Act of 2002, as amended, as in effect from time to time.

"Securities" means, collectively, the Convertible Note, the Conversion Shares, the Purchase Shares, the Warrants and the Warrant Shares.

"Securities Act" means the Securities Act of 1933, as amended, as in effect from time to time.

"Shareholders Agreement" means the Shareholders Agreement, dated as of the Effective Date, by and between certain shareholders of Company and Purchaser.

"Subsequent Issuance" means any issue, sale, grant by Company of Common Stock or Common Stock Equivalents or rights to acquire any of the foregoing after the initial issuance of the Warrants and the Convertible Note.

"Subsidiary" means any corporation, partnership, limited liability company, association or other business entity (i) of which Company owns, directly or indirectly, more than fifty percent (50%) of the voting securities thereof or (ii) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, by Company and is consolidated with Company in accordance with GAAP.

"Subsidiary Guarantor" means any Subsidiary of Company that is a guarantor of the obligations under the Guaranty (or under another guaranty agreement in form and substance satisfactory to Purchaser as holder of the Convertible Note).

"Trading Day" means any day on which the Common Stock is traded on the Principal Trading Market;*provided* that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on the Principal Trading Market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on the Principal Trading Market (or if the Principal Trading Market does not designate in advance the closing time of trading thereon, then during the hour ending at 4:00 p.m., New York City time).

"Transaction Documents" means each and all of this Agreement, the Registration Rights Agreement, the Convertible Note, the Warrants, the Guaranty, the Credit Documents, the Shareholders Agreement and any and all other agreements, instruments and documents now or hereafter executed by or behalf of Company Parties or delivered to Purchaser with respect to this Agreement or with respect to the transactions contemplated by this Agreement, and in each case, together with any amendments, modifications and supplements thereto, any replacements, renewals, extensions and restatements thereof, and any substitutes therefor, in whole or in part.

"2013 Equity Incentive Plan" means the 2013 equity incentive plan of Company as in effect on the Closing Date.

"Warrants" mean the Common Stock Purchase Warrants in substantially the form ofExhibit B to be issued in accordance with**ARTICLE II**, which Warrants shall mean and include each of the following: (a) warrants to purchase 1,000,000 shares of Common Stock at an initial exercise price of $1.00 per share in connection with Purchaser's purchase of the Purchase Shares, (b) warrants to purchase 1,000,000 shares of Company's Common Stock at an initial exercise price of $1.00 per share, in connection with Purchaser's purchase of the Convertible Note, and (c) (i) warrants to purchase 1,000,000 shares of Company's Common Stock at an initial exercise price of $1.00 per share and (ii) warrants to purchase 2,000,000 shares of Company's Common Stock at an exercise price of $2.00 per share, each of such warrants described in (c)(i) and (ii) in connection with the loans extended by Purchaser pursuant to the Credit Agreement.

"Warrant Shares or Warrant Number" means, with respect to any Warrant, the number of shares of Common Stock issuable upon cash exercise in full of such Warrant and, with respect to all Warrants, the aggregate total number of shares of Common Stock issuable upon cash exercise in full of all such Warrants.

1.2 Additional Definitions.

The following terms have the meanings set forth in the corresponding Sections of this Agreement:

Term	Section
Board Observer	6.1
Closing	2.2
Closing Date	2.2
Common Stock	Background Statement
Company	Preamble
Consents, Approvals and Filings	3.4
Conversion Shares	3.2
Credit Agreement	Background Statement
Disclosing Party	Definition of Confidential Information
Effective Date	Preamble
Express Company Representations	4.7
Indemnity Notice	8.4
Losses	8.2(a)
New Security	6.3(a)
OTCQB	3.6(c)
Principal Officer Certifications	3.8(c)
Purchaser	Preamble
Purchaser Director	6.1
Qualified IPO	Clause (e) of Exempt Issuances
Receiving Party	Definition of Confidential Information
Requisite Holder Condition	6.1
Response Period	6.3(b)
SEC	3.8(a)
SEC Documents	3.8(a)
Subscription Proposals	6.3(c)
Superior Trading Market	5.4

1.3 Singular/Plural. Unless the context otherwise requires, words in the singular include the plural and words in the plural include the singular.

ARTICLE II

PURCHASE AND SALE OF THE SECURITIES

2.1 Purchase and Sale. Upon the terms and subject to the conditions set forth herein, at Closing, Company shall issue and sell to Purchaser, and Purchaser shall purchase from Company, as specified below, the Securities:

(a) the Convertible Note, for a purchase price equal to the principal amount of the loan to be funded thereunder at Closing;

(b) the Purchase Shares, for a purchase price of $1.00 per share;

(c) the Warrants, to purchase an aggregate of 5,000,000 shares of Common Stock, in such amounts and at such initial exercise prices as specified in **Section 1.1** in the definition of "Warrants."

2.2 Closing. The closing of the purchase and sale of the Convertible Note, the Purchase Shares and the Warrants pursuant to **Section 2.1** (the "Closing") shall take place remotely via exchange of documents on the first Business Day following the satisfaction or waiver of the applicable conditions set forth in **ARTICLE VII** (other than those conditions that by their nature are to be satisfied at such Closing, but subject to the satisfaction or waiver of those conditions), *provided*, that the Closing may take place at such other place, time or date as shall be mutually agreed upon by Company and Purchaser (the date of the Closing, the "Closing Date").

2.3 Closing Deliveries. At the Closing, Company shall deliver to Purchaser (a) the Convertible Note, (b) the Purchase Shares, (c) the Warrants and (d) such other deliveries as are specified in **Section 7.2(f)**. Delivery of the Convertible Note, the Purchase Shares and the Warrants and such other deliveries shall be made against receipt by Company of (i) the purchase price payable for such Securities as specified in **Section 2.1**, which shall be paid by Purchaser by wire transfer of immediately available funds to Company's account designated in writing to Purchaser not later than the second Business Day before the Closing Date, and (ii) such other deliveries as are specified in **Section 7.3(c)**.

2.4 Calculation of Conversion Price. The Convertible Note shall, subject to adjustment as provided in the Convertible Note, initially be convertible into a number of shares of Common Stock derived by dividing the aggregate outstanding principal amount of the Convertible Note to be converted by $1.00. The Conversion Price and other terms of the Convertible Note will be subject to adjustment as provided in the Convertible Note.

2.5 Warrants. Company and Purchaser hereby acknowledge and agree that (i) the Warrants are part of an investment unit within the meaning of Section 1273(c)(2) of the Code, (ii) for United States federal income tax purposes, (A) the issue price of the Warrants referred to in clause (a) of the definition thereof within the meaning of Section 1273(b) of the Code, which issue price was determined pursuant to Section 1.1273-2(h)(1) of the Treasury Regulations, is equal to $10,000 (or $0.01 per warrant as of the Effective Date), (B) the issue price of the Warrants referred to in clause (b) of the definition thereof within the meaning of Section 1273(b) of the Code, which issue price was determined pursuant to Section 1.1273-2(h)(1) of the Treasury Regulations, is equal to $0.01 per warrant as of the date of its issuance, (C) the issue price of the Warrants referred to in clause (c) of the definition thereof within the meaning of Section 1273(b) of the Code, which issue price was determined pursuant to Section 1.1273-2(h)(1) of the Treasury Regulations, is as set forth in Section 2.14 of the Credit Agreement, and (iii) each of Company and Purchaser shall use such issue price for all income tax purposes with respect to the issuance of the Warrants.

2.6 Acceptability of Proceedings at Closing. All actions to be taken and all documents to be executed and delivered by the Company Parties and other related Persons in connection with the consummation of the transactions contemplated at the Closing shall be reasonably satisfactory in form and substance to Purchaser and its counsel, and all actions to be taken and all documents to be executed and delivered by Purchaser in connection with the consummation of the transactions contemplated at the Closing shall be reasonably satisfactory in form and substance to Company and its counsel. All actions to be taken and all documents to be executed and delivered by all parties hereto at the Closing shall be deemed to have been taken and executed and delivered simultaneously, and no action shall be deemed taken nor any document executed or delivered until all have been taken, executed, and delivered.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF COMPANY

To induce Purchaser to enter into this Agreement and the transactions contemplated hereby, Company represents and warrants to Purchaser as of the Closing Date as follows:

3.1 Corporate Organization and Power. Each Company Party (i) is a corporation or a limited liability company duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, as the case may be (which jurisdictions, as of the Closing Date, are set forth on **Schedule 3.1**) and (ii) is duly qualified to do business as a foreign corporation or limited liability company and is in good standing in each jurisdiction where the nature of its business or the ownership of its properties requires it to be so qualified, except where the failure to be so qualified, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.2 Authorization. Each Company Party has the requisite corporate power and authority to enter into this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each Company Party of this Agreement and each of the other Transaction Documents to which it is a party, the issuance, sale and delivery of the Securities by Company, the compliance by each Company Party with each of the provisions of this Agreement and each of the other Transaction Documents to which it is a party (including the reservation and issuance of the Common Stock issuable upon conversion of the Convertible Note if the term loan is made thereunder (the "Conversion Shares") and the reservation, issuance and sale of the Warrant Shares), and the consummation by each Company Party of the transactions contemplated hereby and thereby (a) are within the corporate power and authority of Company (including such approval and authorization by the Company Board required under the Laws of the State of Delaware and Company's certificate of incorporation and bylaws) and each of its Subsidiaries and (b) have been duly authorized by all necessary corporate action of Company and each of its Subsidiaries. This Agreement has been, and each of the other Transaction Documents to which each Company Party is a party, when executed and delivered by such Company Party shall be, duly and validly executed and delivered by such Company Party. Assuming due authorization, execution and delivery by Purchaser of the Transaction Documents to which it is a party, this Agreement constitutes, and each of such other Transaction Documents when executed and delivered by each Company Party that is intended to be a party thereto shall constitute a valid and binding agreement of each such Company Party enforceable against it in accordance with its terms, except (i) as such enforcement is limited by bankruptcy, insolvency and other similar Laws affecting the enforcement of creditors' rights generally and (ii) for limitations imposed by general principles of equity.

3.3 Reservation; Valid Issuance. The Purchase Shares, when issued and delivered in accordance with this Agreement, shall be duly and validly issued and outstanding, fully paid and non-assessable, and not subject to the preemptive or other similar rights of the stockholders of Company or any other Person. As of the Closing Date, the Conversion Shares and the Warrant Shares have been reserved for issuance upon conversion of the Convertible Note and exercise of the Warrants and, when issued and delivered in accordance with the terms of the Convertible Note and the Warrants, respectively, shall be duly and validly issued and outstanding, fully paid and non-assessable, and not subject to the preemptive or other similar rights of the stockholders of Company, any other Company Party or any other Person.

3.4 No Conflicts; Consents and Approvals; No Violation. Neither the execution, delivery or performance by each Company Party of this Agreement or any of the other Transaction Documents to which it is a party nor the consummation by each Company Party of the transactions contemplated hereby or thereby shall (a) result in a breach or a violation of, any provision of its certificate of incorporation or bylaws; (b) constitute, with or without notice or the passage of time or both, a breach, violation or default, create a Lien, or give rise to any right of termination, modification, cancellation, prepayment, suspension, limitation, revocation or acceleration, under (i) any Law or (ii) any provision of any agreement or other instrument to which it is a party or pursuant to which any of it or any of its assets or properties is subject, except for, in the case of each clause (i) and (ii), (A) the Liens granted in favor of Purchaser pursuant to the Credit Documents and (B) violations, breaches or defaults, which, individually or in the aggregate, would not constitute a Material Adverse Effect; or (c) require any consent, Order, approval or authorization of, notification or submission to, filing with, license or permit from, or exemption or waiver by, any Governmental Authority or any other Person (collectively, the "Consents, Approvals and Filings") on its part, except for (w) the Consents, Approvals and Filings required under the Securities Act, the Exchange Act and applicable state securities Laws and the Principal Trading Market, (x) filings of Uniform Commercial Code financing statements and other instruments and actions necessary to perfect the Liens created by the Credit Documents, (y) consents, authorizations and filings that have been (or on or prior to the Closing Date will have been) made or obtained and that are (or on the Closing Date will be) in full force and effect, which consents, authorizations and filings are listed on **Schedule 3.4**, and (z) such other Consents, Approvals and Filings which the failure of a Company Party to make or obtain would not, individually or in the aggregate, constitute a Material Adverse Effect. No Company Party is in violation or breach of any term or provision of its certificate of incorporation or bylaws, and, other than any violation or breach that would not, individually or in the aggregate, constitute a Material Adverse Effect, no Company Party is in violation or breach of any provision of any other agreement, indebtedness, mortgage, indenture, contract, Law or Order applicable to any Company Party.

3.5 Brokers Fees. No agent, broker, investment banker or other Person is or shall be entitled to any broker's or finder's fee or any other commission or similar fee from any of the Company Parties in connection with any of the transactions contemplated by this Agreement to occur on the Closing Date.

3.6 Capitalization.

(a) As of the Effective Date, the authorized Capital Stock of Company consists of (i) 100,000,000 shares of Common Stock, par value $.001 per share, 47,134,549 shares of which, as of the close of business on February 28, 2014, were issued and outstanding and no more of which additional shares (excluding any shares issued upon exercise of outstanding options) have been issued between February 28, 2014 and the Effective Date; and (ii) 5,000,000 shares of Preferred Stock, par value $.001 per share, no shares of which as of the Effective Date are issued and outstanding. All of the issued and outstanding shares of Common Stock have been duly authorized and are validly issued, fully paid and non-assessable.

(b) As of the Effective Date, except as contemplated by this Agreement and as disclosed on **Schedule 3.6(b)**, there are (i) no authorized or outstanding securities, rights (preemptive or other), subscriptions, calls, commitments, warrants, options, or other agreements that give any Person the right to purchase, subscribe for, or otherwise receive or be issued Capital Stock of Company or any security convertible into or exchangeable or exercisable for Capital Stock of Company, (ii) no outstanding debt or equity securities of Company that upon the conversion, exchange, or exercise thereof would require the issuance, sale, or transfer by Company of any new or additional Capital Stock of Company (or any other securities of Company which, whether after notice, lapse of time, or payment of monies, are or would be convertible into or exchangeable or exercisable for Capital Stock of Company), (iii) no agreements or commitments obligating Company to repurchase, redeem, or otherwise acquire Capital Stock or other securities of Company or its Subsidiaries, (iv) no agreements or commitments to which Company is a party or is otherwise bound or that otherwise exists to the knowledge of Company with respect to the voting (including, without limitation, any voting trusts or proxies), registration under the Securities Act, or sale or transfer (including, without limitation, agreements relating to preemptive rights, rights of first refusal, rights of first offer, buy-sell rights, co-sale rights or "drag along" rights) of any Capital Stock of Company and (v) no outstanding or authorized stock appreciation rights, phantom stock, stock rights, or other equity-based interests in respect of Company. Except as disclosed on **Schedule 3.6(b)**, Company has not issued any indebtedness that is exercisable or exchangeable for or convertible into Capital Stock of Company. As of the Effective Date, the Purchase Shares, the Conversion Shares (assuming the Convertible Note is funded) and the Warrant Shares, assuming the amount of the Convertible Note is fully borrowed, constitute 12.9987% of Company's issued and outstanding Capital Stock and Capital Stock Equivalents, in each case, calculated on a Fully Diluted Basis.

(c) Company has registered its Common Stock pursuant to Section 12(g) of the Exchange Act. The Common Stock is currently quoted on the OTCQB Marketplace (the "OTCQB") maintained by the OTC Markets Group Inc. under the symbol "AMEH." Company has not received any oral or written notice that its Common Stock is not eligible or will become ineligible for quotation on the OTCQB nor that its Common Stock does not meet all the requirements for the continuation of such quotation.

(d) **Schedule 3.6(d)** sets forth, as of the Effective Date, as to each Subsidiary Guarantor and, to the knowledge of Company, each other Subsidiary (x) the number of shares, units or other interests of each class of Capital Stock outstanding in each such Subsidiary, and the number and effect, if exercised, of all outstanding options, warrants, rights of conversion or purchase and similar rights and (y) the registered holders of all such Capital Stock of the Subsidiaries and the number of shares, units, interests, options, warrants or other purchase rights held by each. All outstanding shares of Capital Stock of the Subsidiary Guarantors and, to the knowledge of Company, each other Subsidiary are duly and validly issued, fully paid and nonassessable. Except for the shares of Capital Stock and the other equity arrangements expressly indicated on **Schedule 3.6(d)**, as of the Effective Date there are no shares of Capital Stock, warrants, rights, options or other equity securities, or other Capital Stock of any Subsidiary Guarantor and, to the knowledge of Company, each other Subsidiary outstanding or reserved for any purpose.

3.7 Offering; Investment Company Act.

(a) Assuming the accuracy of the representations and warranties of Purchaser set forth in **ARTICLE IV**, the offer, sale, and issuance of the Securities, as contemplated hereby are or will be exempt from the registration requirements of the Securities Act and are or will have been registered or qualified (or are exempt from registration and qualification) under the registration or qualification requirements of all applicable state securities Laws.

(b) Company is not, and after giving effect to the issuance of the Securities and the conversion and exercise, as applicable, of the Convertible Note and the Warrants and the application of the proceeds thereof will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

3.8 SEC Documents; Financial Statements; Internal Controls and Procedures.

(a) Company has filed or furnished all forms, documents and reports required to be filed or furnished by it with the Securities and Exchange Commission (the "SEC") on a timely basis since January 31, 2011 (together with any documents so filed or furnished during such period and the period between the Effective Date and the Closing Date, in each case as may have been, or between the Effective Date and the Closing Date may be, amended, the "SEC Documents"). Each of the SEC Documents, including all SEC Documents filed or furnished after the Effective Date but prior to or on the Closing Date, complied or, if not yet filed, will comply, as to form in all material respects with the applicable requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act. As of the date filed or furnished with the SEC, none of the SEC Documents, including all SEC Documents filed or furnished after the Effective Date but prior to or on the Closing Date, contained or, if not yet filed, will contain any untrue statement of a material fact or omitted, or if not yet filed, will omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of the Effective Date, there are no material outstanding or unresolved comments received from the SEC with respect to any of the SEC Documents.

(b) Since January 31, 2011, subject to any applicable grace periods, Company has been and is in compliance with the applicable provisions of the Sarbanes-Oxley Act and the applicable rules and regulations of the OTCQB, except for any such noncompliance that would not, individually or in the aggregate, constitute a Material Adverse Effect.

(c) Except as disclosed in the SEC Documents, Company has designed and maintained disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the Exchange Act) as required by Rule 13a-15 under the Exchange Act and as necessary to permit preparation of financial statements in conformity with GAAP. Company's disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to Company's principal executive officer and its principal financial officer by others in Company or its Subsidiaries to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act (the "Principal Officer Certifications"). As required by the Sarbanes-Oxley Act and in accordance with the most recent Principal Officer Certifications, Company's Principal Executive Officer and Principal Financial Officer have disclosed, based on their most recent evaluation prior to the Effective Date, to Company's auditors and the audit committee of the Company Board (i) any material weaknesses in its internal control over financial reporting and (ii) any allegation of fraud that involves management of Company or any other employees of Company and its Subsidiaries who have a significant role in Company's internal control over financial reporting or disclosure controls and procedures. Since January 31, 2011, neither Company nor any of its Subsidiaries has received any written complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of Company or the Subsidiaries or their respective internal accounting controls.

3.9 Absence of Undisclosed Liabilities. Except (a) as disclosed, reflected or reserved against in the consolidated balance sheet of Company and its Subsidiaries as of January 31, 2013 (or the notes thereto), (b) for Liabilities incurred under or in accordance with the Transaction Documents or in connection with the transactions contemplated hereby or thereby, (c) for Liabilities incurred under any contract or other agreement or arising under any applicable Law (other than Liabilities due to breaches thereunder or violations thereof), in each case, in the ordinary course of business since January 31, 2013, (d) for other Liabilities incurred in the ordinary course of business since January 31, 2013 and (e) for Liabilities that have been discharged or paid in full, neither Company nor any Subsidiary has any Liabilities that would be required by GAAP to be reflected on, or reserved against in, a consolidated balance sheet (or the notes thereto) of Subsidiaries, other than as does not constitute, individually or in the aggregate, a Material Adverse Effect.

3.10 Absence of Certain Changes. There has been no Material Adverse Effect since January 31, 2013, and there exists no event, condition or state of facts that could reasonably be expected to result in a Material Adverse Effect.

3.11 Litigation. There are no actions, investigations, suits or proceedings pending or, to the knowledge of Company, threatened, at law, in equity or in arbitration, before any court, other Governmental Authority, arbitrator or other Person, (i) against or affecting any of the Company Parties or any of their respective properties that, if adversely determined, could reasonably be expected to have a Material Adverse Effect, or (ii) with respect to this Agreement, the other Transaction Documents or any of the transactions contemplated hereby or thereby.

3.12 Credit Documents. Each of the representations and warranties contained in the Credit Documents made by Company and each of its Subsidiaries is true and correct. Company and each of the Subsidiaries agrees that, by this reference, such representations and warranties contained in the Credit Documents by Company and each of its Subsidiaries, without limiting any of the representations and warranties otherwise contained herein or in any other Transaction Document, hereby are incorporated herein, mutatis mutandis, for the benefit of Purchaser.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

To induce Company to enter into this Agreement and the transactions contemplated hereby, Purchaser represents and warrants to Company as of the Closing Date as follows:

4.1 Organization. Purchaser is an entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has the requisite corporate power and authority to carry on its business as it is now being conducted.

4.2 Authorization. Purchaser has the requisite corporate power and authority to enter into this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Purchaser of this Agreement and each of the other Transaction Documents to which it is a party and the compliance by Purchaser with each of the provisions of this Agreement and each of the Transaction Documents to which it is a party (including the consummation by Purchaser of the transactions contemplated hereby and thereby) (a) are within the corporate power and authority of Purchaser and (b) have been duly authorized by all necessary corporate action on the part of Purchaser (including such approvals and authorizations by the Board of Directors of Purchaser required under the Laws of the State of Nevada and the articles of incorporation and bylaws of Purchaser). This Agreement has been, and each of the other Transaction Documents to which it is a party when executed and delivered by Purchaser shall be, duly and validly executed and delivered by Purchaser. Assuming due authorization, execution and delivery by Company of the Transaction Documents to which it is a party, this Agreement constitutes, and each of such other Transaction Documents when executed and delivered by Purchaser shall constitute, a valid and binding agreement of Purchaser enforceable against Purchaser in accordance with its terms, except (i) as such enforcement is limited by bankruptcy, insolvency and other similar Laws affecting the enforcement of creditors' rights generally and (ii) for limitations imposed by general principles of equity.

4.3 No Conflicts; Consents and Approvals; No Violation. Neither the execution, delivery or performance by Purchaser of this Agreement or any of the other Transaction Documents to which it is a party nor the consummation of the transactions contemplated hereby or thereby shall (a) result in a breach or a violation of, any provision of the articles of incorporation or bylaws of Purchaser; (b) constitute, with or without notice or the passage of time or both, a breach, violation or default, create a Lien, or give rise to any right of termination, modification, cancellation, prepayment, suspension, limitation, revocation or acceleration, under (i) any Law, or (ii) any provision of any agreement or other instrument to which Purchaser is a party or pursuant to which Purchaser or its assets or properties is subject, except for, in the case of each clause (i) and (ii), violations, breaches or defaults, which, individually or in the aggregate, would not materially adversely affect the ability of Purchaser to perform its obligations under this Agreement or any Transaction Document to which it is a party or to consummate the transactions contemplated hereby or thereby; or (c) require any Consents, Approvals and Filings on the part of Purchaser, except for (x) the Consents, Approvals and Filings required under the Exchange Act and applicable state securities Laws and (y) such other Consents, Approvals and Filings which the failure of Purchaser to make or obtain would not materially adversely affect the ability of Purchaser to perform its obligations under this Agreement or any Transaction Document to which it is a party or to consummate the transactions contemplated hereby or thereby.

4.4 Brokers or Finders. No agent, broker, investment banker or other Person is or shall be entitled to any broker's or finder's fee or any other commission or similar fee from Purchaser in connection with the transactions contemplated by this Agreement to occur on the Closing Date.

4.5 Securities Law Matters.

(a) Purchaser is acquiring the Securities for its own account, for investment and not with a view to, or for sale in connection with, the distribution thereof within the meaning of the Securities Act (it being understood that except as otherwise provided in this Agreement and the other Transaction Documents to which it is a party, Purchaser does not agree to hold the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with the Securities Act and state securities Laws applicable to such disposition).

(b) Purchaser is an "accredited investor," as that term is as defined in Rule 501(a) of Regulation D under the Securities Act. Purchaser has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Securities and is capable of bearing the economic risks of such investment.

(c) Purchaser and its advisers have been furnished with all materials relating to the business, finances and operations of Company, its Subsidiaries and materials relating to the offer and sale of the Securities which have been requested by Purchaser or its advisers. Purchaser and its advisers have been afforded the opportunity to ask questions of Company's management concerning Company and the Securities.

(d) Purchaser understands that except as provided in this Agreement or the Registration Rights Agreement, the sale or re-sale of the Securities has not been and is not being registered under the Securities Act or any applicable state securities Laws, and the Securities may not be offered, sold or otherwise transferred unless (i) the Securities are offered, sold or transferred pursuant to an effective registration statement under the Securities Act, or (ii) the Securities are offered, sold or transferred pursuant to an exemption from registration under the Securities Act and any applicable state securities Laws.

(e) The principal offices of Purchaser and the offices of Purchaser in which it made its decision to purchase the Securities are located in the State of Massachusetts.

4.6 Availability of Funds. Purchaser has sufficient funds to pay the purchase price for the respective Securities it is purchasing pursuant to **ARTICLE II**.

4.7 No Reliance. Purchaser has substantial investment experience so that Purchaser has the capacity to protect its own interests and is fully capable of evaluating the merits and risks of its purchase of the Securities hereunder. Purchaser acknowledges that it has made its own decision to purchase the Securities hereunder without reliance on any representation or warranty of Company or any other party (other than with respect to the representations and warranties made by Company herein and in the other Transaction Documents (the "Express Company Representations")). Purchaser further acknowledges that none of Company, its Subsidiaries or any third party has any responsibility with respect to any statements, representations or warranties that have been made or may be made regarding Company or the value of the Securities (except with respect to the Express Company Representations), that Company has not made any representation, warranty or covenant, express or implied and that, except with respect to the Express Company Representations, Company has not made any representation, warranty or covenant, express or implied. Specifically, Company has not made any representation, warranty or covenant, express or implied, with respect to Company's business, financial condition, prospects, or value, or the value of the Securities (except with respect to the Express Company Representations). Purchaser has access to and the opportunity to review financial and business information concerning Company, including its public filings made with the SEC, as necessary to make a deliberate and informed decision as to whether to purchase the Securities on the terms provided in this Agreement. Purchaser represents that it has had a full, fair and complete opportunity to value the Securities. Purchaser acknowledges that the purchase price of the Securities may not be indicative of the actual fair market value of the Securities. Purchaser has been given the opportunity to (i) ask questions of and receive answers from Company and Company concerning the terms and conditions of the Securities, and the business and financial condition of Company and (ii) obtain any additional information that Company possesses with respect to the Securities. Purchaser has such knowledge and experience in financial or business matters and with respect to Company's business, financial condition, operating results and prospects that Purchaser is capable of evaluating the merits and risks of the purchase contemplated by this Agreement.

4.8 Restricted Securities. Purchaser understands that the Securities have not been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of Purchaser's representations as expressed herein. Purchaser understands that the Securities are "restricted securities" under applicable U.S. federal and state securities Laws and that, pursuant to these Laws, Purchaser must hold the Securities until such time as they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. Purchaser acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Securities, and on requirements relating to Company which are outside of Purchaser's control.

4.9 Legends. Purchaser understands that the Securities and any securities issued in respect of or exchange therefor, may be notated with one or all of the following legends:

(a) "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(b) Any legend set forth in, or required by, the other Transaction Agreements.

(c) Any legend required by the securities laws of any state to the extent such laws are applicable to the Securities represented by the certificate, instrument, or book entry so legended.

ARTICLE V

COVENANTS

5.1 Public Announcements. Company and Purchaser shall consult with each other before issuing any press release or other public disclosure with respect to this Agreement or the transactions contemplated hereby and neither shall issue any such press release or make any such public statement with respect thereto without the prior consent of the other, which consent shall not be unreasonably withheld, delayed or conditioned; *provided, however*, that a party may, without the prior consent of the other party, issue such press release or make such public disclosure as may upon the advice of counsel be required by Law or by the rules of the OTCQB, *provided* that, to the extent time permits, such party has used all commercially reasonable efforts to consult with the other party prior thereto. Company and Purchaser agree that the initial press release or other public disclosure relating to this Agreement and the transactions contemplated herein shall state, among other things, that Purchaser is an Affiliate of Fresenius Medical Care Holdings, Inc.

5.2 Consents, Approvals and Filings. Subject to the terms of this Agreement and the other Transaction Documents, Company and Purchaser each shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and do, or cause to be done, and to assist and cooperate with the other party in doing, all things necessary, proper, desirable or advisable to obtain and make all Consents, Approvals and Filings required to be obtained or made by Company and its Subsidiaries or Purchaser, as the case may be, in connection with the authorization, execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

5.3 Further Assurances. Except as otherwise expressly provided in this Agreement and the other Transaction Documents, Company and Purchaser each shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate the transactions contemplated by this Agreement or any Transaction Document; provided that the foregoing shall not impose any obligations on Purchaser to convert the Convertible Note into Conversion Shares or exercise any Warrant for Warrant Shares If any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement or any Transaction Document, each party shall use commercially reasonable efforts to cooperate in all respects with the other party, to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any Order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts the consummation of the transactions contemplated by this Agreement or any Transaction Document; *provided, however*, that neither Company nor Purchaser shall be required to expend any material funds in connection with such commercially reasonable efforts.

5.4 Quotation and Listing. For so long as any Securities are outstanding, Company shall use its commercially reasonable efforts to (i) continue to have the Common Stock quoted on the OTCQB; provided, however, that if and to the extent Company's Common Stock meets the qualifications for quotation and/or listing on the OTCQX or any tier of any other nationally recognized U.S. securities trading market, including without limitation, the NASDAQ Stock Market or any other national securities exchange that imposes more stringent criteria for listing or trading of the Common Stock (each such market or exchange, a "Superior Trading Market") than Company's then Principal Trading Market, then upon the approval of the Company Board (which it may grant or withhold in its sole and absolute discretion), Company shall use its commercially reasonable efforts to apply for, pay all applicable fees and expenses in connection with, and obtain authorization for the listing or quotation of the Common Stock, including the Securities as and when represented by or converted into Common Stock, on such Superior Trading Market.

5.5 Reservation of Common Stock. Company at all times shall reserve and keep available, free of preemptive rights, solely for issuance and delivery upon conversion of the Convertible Note and upon exercise of the Warrants, the number of shares of Conversion Shares and Warrants Shares, as the case may be, from time to time issuable upon conversion of the Convertible Note or upon exercise of the Warrants, in each case at the time outstanding.

5.6 Integration. Company agrees that it will not and will cause its Affiliates not to, directly or indirectly, solicit any offer to buy, sell or make any offer or sale of, or otherwise negotiate in respect of, securities of Company of any class if counsel to Company advises it that, as a result of the doctrine of "integration" referred to in Rule 502 under the Securities Act, there is a substantial likelihood that such offer or sale would render invalid (for the purpose of (i) the sale of the Securities by Company to Purchaser, or (ii) the resale of the Securities by Purchaser to any subsequent transferee) the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof or by Rule 144, Rule 144A or by Regulation S thereunder or otherwise.

5.7 Rule 144 and 144A Information. Company agrees that, in order to render the Securities eligible for resale pursuant to Rule 144 or, to the extent available, Rule 144A under the Securities Act, while any of such Securities remain outstanding, Company will make available, upon request, to Purchaser or any prospective transferee of such Securities the information specified in Rule 144(c)(2) and/or Rule 144A(d)(4), as applicable, unless Company furnishes information to the SEC pursuant to Section 13 or 15(d) of the Exchange Act in compliance with Rule 144(c)(1) and/or so as to exempt it from the information requirements in Rule 144A(d)(4), as applicable.

5.8 [Reserved]

5.9 Confidential Information. In the event the Receiving Party (including its officers, employees, counsel, accountants, partners, Board Observer and other authorized representatives) obtains or has obtained from the Disclosing Party any Confidential Information, the Receiving Party (i) shall treat all such Confidential Information as confidential, (ii) shall use such Confidential Information only for the purposes contemplated in this Agreement and the other Transaction Documents (and related documents), (iii) shall protect such Confidential Information with the same degree of care as the Receiving Party uses to protect its own confidential and proprietary information against public disclosure, but in no case with less than reasonable care, and (iv) shall not disclose such Confidential Information to any third party except to such officers, employees, counsel, accountants, partners and other authorized representatives of the Receiving Party, its Affiliates or potential permitted transferees of the Receiving Party's rights under this Agreement and the other Transaction Documents who need to know such Confidential Information for any proper purpose related to this Agreement and the other Transaction Documents or any transaction contemplated hereby or thereby and who have been informed of and have agreed in writing to protect the confidential nature of such Confidential Information and not to use such Confidential Information for any unlawful purpose (and the Receiving Party shall be responsible for compliance with this **Section 5.9** by its and its Affiliates' officers, employees, counsel, accountants, partners and other authorized representatives) or to the extent required by applicable Requirements of Law, provided that, if not prohibited by applicable Requirements of Law, the Receiving Party will (i) provide reasonable advance notice to the Disclosing Party of such disclosure so that the Disclosing Party may seek an appropriate protective order and (ii) to cooperate with the Disclosing Party, at the Disclosing Party's expense, to obtain such protective order. Each party agrees that, due to the unique nature of the Confidential Information, the unauthorized disclosure or use of any Confidential Information of the Disclosing Party may cause irreparable harm and significant injury to the Disclosing Party, the extent of which may be difficult to ascertain and for which there may be no adequate remedy at law. Accordingly, each party agrees that the Disclosing Party, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief enjoining any breach or threatened breach of this **Section 5.9** without the necessity of posting any bond or other security. The Receiving Party shall notify the Disclosing Party in writing immediately upon the Receiving Party's becoming aware of any such breach or threatened breach. Notwithstanding anything to the contrary set forth in this Agreement or any other Transaction Document, this **Section 5.9** shall survive the termination of this Agreement.

5.10 Notification of Certain Matters. Each party shall give prompt notice to the other party of, and shall use their respective commercially reasonable efforts to prevent or promptly remedy, (i) the occurrence or failure to occur, or the impending or threatened occurrence or failure to occur, of any event which occurrence or failure to occur would cause any of its representations or warranties in this Agreement or any other Transaction Document to be untrue or inaccurate in any material respect (or in all respects in the case of any representation or warranty containing any materiality qualification) at any time after the Effective Date but on or prior to the Closing Date and (ii) any material failure (or any failure in the case of any covenant, condition or agreement containing any materiality qualification) on its part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or any other Transaction Document. The delivery of any notice pursuant to this **Section 5.10** shall not limit or otherwise affect the remedies available under this Agreement or any other Transaction Document to any party receiving such notice.

5.11 Funding Fee. Company agrees to pay to Purchaser a funding fee of $20,000.00 if Company borrows the term loan pursuant to Section 2.1 of the Convertible Note. The funding fee shall be fully earned when it becomes due and payable under this Section and shall not be subject to refund to Company for any reason, including without limitation any prepayment by Company of outstanding principal under the Convertible Note.

5.12 Market Stand-off Agreement. In the event of a Qualified IPO, Purchaser hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Purchaser or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 5.12** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Purchaser only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third-party beneficiaries of this **Section 5.12** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Purchaser further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 5.12** or that are necessary to give further effect thereto.

ARTICLE VI

BOARD AND OTHER RIGHTS

6.1 Board Rights.

(a) For so long as Purchaser holds any combination of Common Stock, Convertible Note (if Company borrows the term loan thereunder), Conversion Shares, Warrants or Warrant Shares that in the aggregate either represent or entitle Purchaser to acquire at least 2,000,000 shares of Common Stock (the "Requisite Holder Condition"), (A) Purchaser shall have the right to appoint one (1) representative (the "Board Observer") to attend all meetings of the Company Board and any committee thereof in a nonvoting observer capacity, and (B) Purchaser shall have the right to have one (1) representative (the "Purchaser Director") nominated as a member of the Company Board and each committee thereof, including without limitation Company's compensation committee. Purchaser shall notify Company in writing in any manner provided in **Section 9.6** of this Agreement of its election to appoint a Board Observer and a Purchaser Director. Any such Purchaser Director shall enter into Company's standard form of Board Member Service Agreement on terms no less favorable to such Purchaser Director than required of any other member of the Company Board prior and as a condition to such Purchaser Director serving on the Company Board.

(b) As of and from the time of Purchaser's notification to Company of its election to exercise such right: (1) the Company Board or any committee thereof shall, if necessary, increase the size of the Company Board or such committee, to accommodate the addition of the Purchaser Director and take all corporate action required by Law to promptly appoint such Purchaser Director to the Company Board or such committee and (2) the Company Board shall, for so long as the Requisite Holder Condition is satisfied and unless Purchaser notifies Company of its election to cease having such Purchaser Director serve on the Company Board or any committee thereof, renominate and reappoint such Purchaser Director to the Company Board and each committee thereof annually or from time to time at such time as it renominates and reappoints other members of the Company Board or any such committee (or to the extent that Company in the future submits nominations for directors to the Company Board to a vote of Company's stockholders (or action by written consent of stockholders in lieu of a meeting), Company, the Company Board and any committee of the Company Board that oversees nominations to the Company Board shall use all commercially reasonable efforts to have the Purchaser Director reelected as to the Company Board by Company's stockholders and shall solicit proxies for the Purchaser Director and take any and all such other actions to facilitate such reelection of the Purchaser Director to the same extent as it does for any of Company's other nominees to the Company Board); (C) Company shall reimburse the Board Observer and Purchaser Director for all reasonable costs and expenses customarily incurred in attending meetings of the Company Board (other than the cost of airfare and hotel accommodations); (D) within one hundred eighty (180) days after the Closing Date, Company's certificate of incorporation shall provide for indemnification of the members of the Company Board, or any committee thereof, to the broadest extent permitted by applicable law; (E) Company shall ensure that the Purchaser Director is afforded coverage under any Directors and Officers insurance policy then in effect on the same terms as other members of the Company Board; (F) Company shall enter into an indemnity agreement with the Purchaser Director on terms no less favorable than those included in the most director-favorable form of indemnity agreement provided to any member of the Company Board; and (G) Company shall give the Board Observer copies of all notices, minutes, consents and other materials that it provides to its directors and when so provided; provided, however, that the Board Observer agrees in a written agreement in form and substance reasonably satisfactory to Company to hold in confidence pursuant to the terms in **Section 5.9** with respect to all information so provided; and, provided further, that Company reserves the right to withhold any information and to exclude the Board Observer from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between Company and its counsel.

(c) Purchaser shall notify Company in writing in any manner provided in **Section 9.6** of this Agreement of its election to appoint a Board Observer and a Purchaser Director.

Notwithstanding anything in this Agreement to the contrary, the rights set forth in this **Section 6.1** shall survive for so long as the Requisite Holder Condition is satisfied. Purchaser may assign its rights in this **Section 6.1** to one or more Affiliates of Purchaser. Otherwise, (i) the Purchaser Director rights set forth in this **Section 6.1** may not be assigned or transferred to any other Person and (ii) the Board Observer rights set forth in this **Section 6.1** may be assigned or transferred to any other Person in connection with the sale, assignment or transfer to such Person of all of the Securities then owned beneficially and of record by Purchaser to the extent it may otherwise assign or transfer such Securities under this Agreement or a related Transaction Document, and any such assignee shall be treated as the "Purchaser" for purposes of this **Section 6.1** relating to the Board Observer.

6.2 Vacancies. In the event that either the Purchaser Director or the Board Observer ceases to serve in his or her capacity as such during his or her term for any reason, and at such time Purchaser has the right to appoint or nominate a Purchaser Director or appoint a Board Observer, as the case may be, Purchaser shall have the right to submit a replacement Purchaser Director or Board Observer.

6.3 Subscription Rights.

(a) Sale of New Securities. For so long as the Requisite Holder Condition is satisfied, if Company at any time or from time to time makes any public or non-public offering of any equity (including Common Stock, Common Stock Equivalent, Capital Stock, Capital Stock Equivalents, preferred stock and restricted stock), or any other securities, warrants, options or debt that are convertible or exchangeable into equity or that include an equity component (such as an "equity kicker") (including any hybrid security) (any such security a "New Security"), Purchaser shall be afforded the opportunity (provided, in the case of an offering that is not a registered public offering, that Purchaser satisfies any applicable "accredited investor," "qualified institutional buyer" or other investor criteria applicable to such offering) to subscribe for a pro rata share of any New Security so offered for the same price and on the same terms as such New Security is proposed to be offered to others. Purchaser's pro rata share, for purposes of this **Section 6.3**, is the ratio of the number of shares of Common Stock owned by Purchaser immediately prior to the issuance of a New Security (assuming all Common Stock Equivalents owned by Purchaser are converted into or exchanged for shares of Common Stock) to the total number of shares of Common Stock outstanding on a Fully Diluted Basis immediately prior to the issuance of such New Security. Notwithstanding the foregoing, the subscription rights set forth under this **Section 6.3** shall not apply to (1) any offering by Company pursuant to an Exempt Issuance or (2) issuances of any securities issued as a result of a stock split, stock dividend, reclassification or reorganization or similar event, but solely to the extent such issuance is made to all holders of Common Stock Equivalents. For the avoidance of doubt, to the extent that Company complies with its obligations pursuant to this **Section 6.3** with respect to any securities that are convertible or exchangeable into (or exercisable for) Common Stock or other equity, Purchaser shall not have an additional right to purchase pursuant to this **Section 6.3** additional securities as a result of the issuance of New Securities upon the conversion, exchange or exercise of such earlier issued securities (whether or not such Purchaser exercised its right to purchase such earlier issued securities). Purchaser may assign the right to exercise the subscription rights set forth in this **Section 6.3** with respect to any Securities to the extent it may otherwise transfer or assign such Securities under this Agreement or a related Transaction Document, and any such assignee shall be treated as the "Purchaser" for purposes of this **Section 6.3**.

(b) Notice. In the event Company proposes to offer New Securities, it shall give Purchaser written notice (or, if such a written notice would be required to be filed with the SEC, oral notice) of its intention, describing, to the extent then known, the price (or range of prices), anticipated amount of securities, timing and other terms upon which Company proposes to offer the same (including, in the case of a registered public offering and to the extent possible, a copy of the prospectus included in the registration statement filed with respect to such offering) no later than five Business Days, as the case may be, after the initial filing of a registration statement with the SEC with respect to an underwritten public offering, after the commencement of marketing with respect to a Rule 144A offering or after Company commences the marketing of any other offering; provided that for purposes of this **Section 6.3**, in addition to providing notice to Purchaser in accordance as set forth above, Company shall use its commercially reasonable efforts to effect actual notice of Purchaser as promptly as practicable, including via telephone and/or electronic mail (provided that Company shall contact only those persons listed in **Section 9.6** of this Agreement and shall have no obligation to use electronic mail if such electronic mail would be required to be filed with the SEC). Company may provide such notice to Purchaser on a confidential basis (and Purchaser shall keep the information conveyed by notice confidential) prior to public disclosure of such offering. Purchaser shall have (i) twenty Business Days from the date of receipt of notice as set forth above but without accounting for any notice provided pursuant to the proviso above requiring Company to use commercially reasonable efforts to provide notice via telephone and/or electronic mail or, (ii) in the case or a "shelf takedown" from a shelf registration statement, two days from the receipt of such notice (such twenty or two day period, as applicable, the "Response Period") to notify Company in writing whether it will exercise such subscription rights and as to the amount of New Securities Purchaser desires to purchase, up to its pro rata share of New Securities being offered. Such notice shall constitute a binding commitment by Purchaser to purchase the amount of New Securities so specified at the price and other terms set forth in Company's notice to it and subject to other customary closing conditions and provided, with respect to a registered offering, that such notice shall not be binding unless and until Company can accept a binding commitment under applicable Laws. The failure of Purchaser to respond within the Response Period shall be deemed to be a waiver of Purchaser's rights under this **Section 6.3** only with respect to the offering described in the applicable notice.

(c) Purchase Mechanism. Subject to the next sentence, each of Company and Purchaser agrees to use its commercially reasonable efforts to secure any regulatory or stockholder approvals or other consents, and to comply with any law or regulation necessary in connection with and prior to the offer, sale and purchase of such New Securities, including calling a meeting of Company's stockholders to vote on any matters requiring stockholder approval in connection with the offer, sale and purchase of such New Securities (the "Subscription Proposals"), recommending to Company's stockholders that such stockholders vote in favor of any Subscription Proposals and soliciting proxies for approval of any Subscription Proposals. By the earlier of (i) within one hundred eighty (180) days after Closing and (ii) twenty (20) Business Days prior to the offer, sale and purchase of New Securities, Company shall amend its certificate of incorporation in order to permit Purchaser's exercise of its rights under this **Section 6.3** and such amendment shall be in form and substance reasonably satisfactory to Purchaser.

(d) Failure to Purchase. In the event Purchaser fails to exercise its subscription rights provided in this **Section 6.3** within the Response Period, or, if so exercised, such Purchaser is unable to consummate such purchase upon the closing of the sale and issuance of New Securities for any reason, Company shall thereafter be entitled during the period of 60 days following the conclusion of the applicable period to sell or enter into an agreement (pursuant to which the sale of the New Securities covered thereby shall be consummated, if at all, within 30 days from the date of said agreement) to sell the New Securities not elected to be purchased pursuant to this **Section 6.3** or which Purchaser does not or is unable to purchase, at a price and upon terms no more favorable to purchasers of such securities than were specified in Company's notice to such Purchaser. Notwithstanding the foregoing, if such sale is subject to the receipt of any regulatory or stockholder approval or consent or the expiration of any waiting period, the time period during which such sale may be consummated shall be extended until the expiration of five Business Days after all such approvals or consents have been obtained or waiting periods expired, but in no event shall such time period exceed 90 days from the date of the applicable agreement with respect to such sale. In the event Company has not sold the New Securities or entered into an agreement to sell the New Securities within said 60-day period (or sold and issued New Securities in accordance with the foregoing within 30 days from the date of said agreement (as such period may be extended in the manner described above for a period not to exceed 90 days from the date of said agreement)), Company shall not thereafter offer, issue or sell such New Securities without first offering such securities to such Purchaser in the manner provided above.

(e) Non-Cash Consideration. In the case of the offering of securities for a consideration in whole or in part other than cash, including securities acquired in exchange therefor (other than securities by their terms so exchangeable), the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors; provided, however, that such fair value as determined by the Board of Directors shall not exceed the aggregate market price of the securities being offered as of the date the Board of Directors authorizes the offering of such securities.

(f) Cooperation. Company and Purchaser shall cooperate in good faith to facilitate the exercise of such Purchaser's rights pursuant to this **Section 6.3**, including securing any required approvals or consents.

6.4 Certain Other Covenants.

(a) At the appropriate time and for so long as the Requisite Holder Condition is satisfied, Company shall (i) consider in good faith (A) establishing, maintaining and utilizing governance and oversight committees (including for Affiliate transactions), (B) evaluating compliance plans and policies, including policies and procedures for monitoring adherence to Company's non-solicitation and other restrictive covenants, and (C) hiring a compliance officer to implement and monitor such plans and policies and (ii) maintain and utilize its existing committees for audit and compensation.

(b) Company shall ensure that (i) Company's compensation committee approves all compensation for each officer and director of Company and those Persons who are Subsidiaries of Company pursuant to clause (i) of the definition of Subsidiary and (ii) no member of Company's compensation committee shall vote to approve any of his or her own compensation.

ARTICLE VII

CONDITIONS TO CLOSING

7.1 Conditions to Obligations of Purchaser and Company at Closing. The obligations of Purchaser and Company to consummate the transactions contemplated hereby to be consummated at the Closing are subject to the satisfaction or waiver at or prior to the Closing Date of each of the following conditions:

(a) no preliminary or permanent injunction or other Order by any Governmental Authority which prevents the consummation of the transactions contemplated hereby shall have been issued and remain in effect (each party agreeing to use its commercially reasonable efforts to have any such injunction or Order lifted);

(b) any Consents, Approvals and Filings that are necessary for the consummation of the transactions contemplated by this Agreement shall have been made or obtained except where (i) Company's failure to make or obtain such Consents, Approvals and Filings would not, individually or in the aggregate, constitute a Material Adverse Effect or (ii) Purchaser's failure to obtain such Consents, Approvals and Filings would not have a material adverse effect on Purchaser's ability to perform its obligations under this Agreement; and

(c) no suit, claim, investigation, action or other proceeding shall be pending or, to the knowledge of Company or Purchaser, respectively, threatened against Purchaser or Company Parties before any Governmental Authority which reasonably could be expected to result in the restraint or prohibition of any such party, or the obtaining of damages or other relief from any such party, in connection with this Agreement or the other Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

7.2 Additional Conditions to Obligations of Purchaser at Closing. The obligations of Purchaser to consummate the transactions contemplated hereby to be consummated at the Closing shall be subject to the satisfaction or waiver at or prior to the Closing Date of each of the following additional conditions:

(a) each of the representations and warranties made by Company in **ARTICLE III** shall be true and correct in all material respects (except to the extent any such representation or warranty is qualified as to materiality or by Material Adverse Effect, in which case such representation or warranty shall be true in all respects) on and as of such date with the same effect as if made on and as of such date (except to the extent any such representation or warranty related to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such date (except to the extent any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation or warranty shall be true in all respects as of such date));

(b) Company shall have performed, in all material respects, all of its obligations contemplated herein to be performed by Company on or prior to the Closing Date;

(c) from the Effective Date through the Closing Date, there shall not have occurred, and be continuing, a Material Adverse Effect;

(d) the Purchase Shares, the Conversion Shares and the Warrant Shares shall have been duly authorized and reserved for issuance and shall have been authorized for quotation on the OTCQB, subject only to notice of issuance;

(e) the trading of the Common Stock shall not have been suspended by the SEC, the OTCQB or any supervising authority over the OTCQB authority;

(f) Company shall have delivered the following to Purchaser:

(i) an officer's certificate certifying as to Company's compliance with the conditions set forth in clauses (a) through (e) of this **Section 7.2**;

(ii) the Convertible Note, executed by a duly authorized officer of Company;

(iii) Certificates Representing the Purchase Shares, executed by a duly authorized officer of Company and authenticated by Company's Transfer Agent;

(iv) the Warrants, executed by a duly authorized officer of Company;

(v) the Guaranty, duly completed and executed by the Subsidiary Guarantors, in form and substance satisfactory to Purchaser;

(vi) the Registration Rights Agreement, executed by a duly authorized officer of Company;

(vii) the Shareholders Agreement, executed by the parties specified therein;

(viii) the portion of the funding fee, if any, required to be paid to Purchaser on the Closing Date pursuant to **Section 5.11**; and

(ix) such other documents as may be required by this Agreement or reasonably requested by Purchaser; and

(g) all conditions precedent for closing the Credit Agreement shall have been satisfied to the reasonable satisfaction of Purchaser.

7.3 Additional Conditions to Obligations of Company at Closing. The obligations of Company to consummate the transactions contemplated hereby to be consummated at Closing shall be subject to the satisfaction or waiver at or prior to the Closing Date of each of the following additional conditions:

(a) each of the representations and warranties made by Purchaser in **ARTICLE IV** shall be true and correct in all material respects (except to the extent any such representation or warranty is qualified as to materiality or by Material Adverse Effect, in which case such representation or warranty shall be true in all respects) on and as of such date with the same effect as if made on and as of such date (except to the extent any such representation or warranty related to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such date (except to the extent any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation or warranty shall be true in all respects as of such date));

(b) Purchaser shall have performed, in all material respects, all of its obligations contemplated herein to be performed by Purchaser on or prior to the Closing Date;

(c) Purchaser shall have delivered the following to Company:

(i) an officer's certificate certifying as to Purchaser's compliance with the conditions set forth in clauses (a) and (b) of this **Section 7.3**;

(ii) the purchase price payable for the Convertible Note and the Purchase Shares;

(iii) the Registration Rights Agreement, executed by a duly authorized officer of Purchaser;

(iv) the Shareholders Agreement, executed by the parties specified therein; and

(v) such other documents as may be required by this Agreement or reasonably requested by Company.

(d) all conditions precedent for closing the Credit Agreement shall have been satisfied to the reasonable satisfaction of Company.

ARTICLE VIII

SURVIVAL; INDEMNIFICATION

8.1 Survival of Representations and Warranties. All representations and warranties set forth in this Agreement shall survive the transactions contemplated by this Agreement to be consummated at the Closing (regardless of any investigation, inquiry, or examination made by any party or on its behalf or any knowledge of any party or the acceptance by any party of any certificate or opinion) for a period of eighteen (18) months and thereupon shall terminate, unless an Indemnity Notice shall have been delivered with respect thereto with such period.

8.2 Indemnification.

(a) Company shall indemnify and hold harmless Purchaser, its Affiliates, and their respective directors and officers, and each Person, if any, who controls Purchaser or any of its Affiliates (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) against all losses, claims, damages, liabilities and expenses (including reasonable attorneys' and accountants' fees, disbursements and expenses, as incurred) (collectively, "Losses") incurred by such Person entitled to indemnification hereunder arising out of or based upon any breach of a representation or warranty or breach of or failure to perform any covenant or agreement on the part of Company contained in this Agreement.

(b) Purchaser shall indemnify and hold harmless Company, its directors and officers, and each Person, if any, who controls Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) against all Losses incurred by such Person entitled to indemnification hereunder arising out of or based upon any breach of a representation or warranty or breach of or failure to perform any covenant or agreement on the part of Purchaser contained in this Agreement.

8.3 Method of Asserting Indemnification for Third Party Claims Any Person entitled to indemnification hereunder shall give prompt written notice to the indemnifying party after the receipt by such indemnified party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing for which such indemnified party may claim indemnification pursuant to this Agreement, *provided* that failure to give such notification shall not affect the obligations of the indemnifying party pursuant to this **ARTICLE VIII** except to the extent that the indemnifying party shall have been actually prejudiced as a result of such failure. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation, unless in the reasonable judgment of any indemnified party, based on the written opinion of counsel, a conflict of interest is likely to exist between the indemnifying party and such indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall not be liable for the fees and expenses of more than one counsel for all indemnified parties selected by such parties (which selection shall be reasonably satisfactory to the indemnifying party), in each case in connection with any one action or separate but similar or related actions. An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party, based on the written opinion of counsel, a conflict of interest is likely to exist between the indemnified party and any other of such indemnified parties with respect to such claim, in which event the indemnifying party shall be obligated to pay the fees and expenses of such additional counsel. No indemnifying party, in defense of any such action, suit, proceeding or investigation, shall, except with the consent of each indemnified party, consent to the entry of any judgment or entry into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such action, suit, proceeding or investigation to the extent such liability is covered by the indemnity obligations set forth in this **Section 8.2**. No indemnified party shall consent to entry of any judgment or entry into any settlement without the consent of each indemnifying party.

8.4 Method of Asserting Indemnification for Other Claims. In the event any indemnified party should have a claim under **Section 8.2** against the indemnifying party that does not involve a third party claim, the indemnified party shall deliver a written notification of a claim for indemnity under **Section 8.2** specifying the nature of and basis for such claim, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such claim (an "Indemnity Notice") with reasonable promptness to the indemnifying party. The failure by any indemnified party to give the Indemnity Notice shall not impair such party's rights under **Section 8.2** except to the extent that the indemnifying party shall have been actually prejudiced as a result of such failure.

8.5 Limitations on Indemnification. The maximum amount that Company or Purchaser can recover for Losses pursuant to this **ARTICLE VIII** for breaches of representations and warranties shall not in the aggregate exceed the aggregate purchase price of the Securities. The maximum amount that Company or Purchaser can recover for Losses pursuant to this **ARTICLE VIII** for breaches of covenants shall not in the aggregate exceed the sum of (i) the aggregate purchase price of the Securities plus (ii) an amount equal to twenty percent (20%) per annum of the aggregate purchase price of the Securities, which amount shall compound on each anniversary of the Closing Date and shall be treated under clause (i) of this **Section 8.5** as part of the aggregate purchase price of the Securities. Neither Company nor Purchaser shall have any obligation under this **ARTICLE VIII** to indemnify any Person for lost profits or for indirect, incidental, punitive, special or exemplary damages. The indemnification provided in this **ARTICLE VIII** shall be the sole and exclusive remedy for monetary damages available to Company and Purchaser for matters for which indemnification is provided under this **ARTICLE VIII**.

ARTICLE IX

MISCELLANEOUS

9.1 Fees and Expenses. Except as otherwise provided in any Transaction Document, each party shall pay its owns expenses incurred in connection with the preparation, negotiation, execution, delivery, and performance of this Agreement and each Transaction Document and the consummation of the transactions contemplated hereby and thereby. Company agrees to pay on demand all reasonable out-of-pocket expenses of Purchaser, including reasonable fees and disbursements of counsel, in connection with: (i) any amendments, supplements, consents or waivers hereto, the Transaction Documents because of actual or prospective defaults hereunder or Defaults or Events of Default, as such term is defined in the Convertible Note, and (ii) the enforcement of this Agreement and the other Transaction Documents. In addition, Company shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the other Transaction Documents and agrees to save Purchaser harmless from and against any and all Liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. It is the intention of the parties hereto that Company shall pay amounts referred to in this **Section 9.1** directly. In the event Purchaser pays any of the amounts referred to in this **Section 9.1** directly, Company will reimburse Purchaser for such advances and interest on such advance shall accrue until reimbursed at the Default Rate applicable for the Term Loan as defined in the Credit Agreement.

9.2 Independent Contractors. Each party shall act solely as an independent contractor, and nothing in this Agreement shall be construed to give either party the power or authority to act for, bind, or commit the other party in any way. Nothing herein shall be construed to create the relationship of partners, principal and agent, or joint-venture partners between the parties.

9.3 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

9.4 Successors and Assigns. Company may not assign, delegate, or otherwise transfer (whether by operation of law, by contract, or otherwise) its rights and obligations under this Agreement or any of the other Transaction Documents or any portion hereof or thereof. Nothing in this Agreement or any other Transaction Document shall prohibit Purchaser from assigning, delegating or transferring this Agreement and Purchaser's rights and obligations under any of the other Transaction Documents to an Affiliate of Purchaser. Otherwise, Purchaser may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Agreement or any of the other Transaction Documents or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Subject to the foregoing and to the second paragraph of **Section 6.1**, nothing in this Agreement or any other Transaction Document shall prohibit Purchaser from assigning, delegating, pledging or transferring this Agreement and Purchaser's rights under any of the other Transaction Documents, including collateral therefor, so long as any such assignee, delegatee, pledgee or transferee is a "United States Person" for purposes of Section 7701(a)(30) of the Code. Any attempted assignment, delegation, or transfer in violation of this **Section 9.4** shall be void and of no force or effect.

9.5 Entire Agreement. THIS AGREEMENT AND THE TRANSACTION DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HEREWITH EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9.6 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

(i) if to Company, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

(ii) if to Purchaser, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax: (781) 699-9756

Company or Purchaser may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

9.7 Time Periods; Business Days. Any action required hereunder to be taken within a certain number of days shall, except as may otherwise be expressly provided herein, be taken within that number of calendar days excluding the day on which the counting is initiated and including the final day of the period; *provided*, *however*, that if the last day for taking such action falls on a day which is not a Business Day, the period during which such action may be taken shall automatically be extended to the Business Day immediately following such day.

9.8 Amendments. Any provision of this Agreement or any other Transaction Document to which Company is a party may be amended if such amendment is in writing and is signed by Company and Purchaser.

9.9 Waiver. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to any party whether at law, in equity, or otherwise. No delay, forbearance, or neglect by any party, whether in one or more instances, in the exercise or any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Agreement shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Agreement, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by the party to be charged with such waiver. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

9.10 Descriptive Headings; No Strict Construction. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. The parties agree that prior drafts of this Agreement shall be deemed not to provide any evidence as to the meaning of any provision hereof or the intention of the parties hereto with respect to this Agreement.

9.11 Governing Law. This Agreement and, unless otherwise provided in any other Transaction Document, the other Transaction Documents shall be governed by and interpreted in accordance with the laws of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

9.12 Consent to Jurisdiction; Waiver of Jury Trial. AS PART OF THE CONSIDERATION FOR NEW VALUE THIS DAY RECEIVED, EACH OF COMPANY AND PURCHASER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF THE STATE OF NEW YORK AND THE COURTS OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN FOR ANY ACTION TO WHICH COMPANY AND PURCHASER ARE PARTIES. TO THE EXTENT PERMITTED BY LAW, EACH OF COMPANY AND PURCHASER WAIVES TRIAL BY JURY AND WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON LACK OF JURISDICTION OR IMPROPER VENUE OR *FORUM NON CONVENIENS* TO THE CONDUCT OF ANY ACTION INSTITUTED HEREUNDER OR UNDER ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER PROCEEDING TO WHICH COMPANY OR PURCHASER IS A PARTY, INCLUDING ANY ACTIONS BASED UPON, ARISING OUT OF OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF PURCHASER OR COMPANY. COMPANY ALSO CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

9.13 Severability. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not invalidate or render unenforceable any other provision hereof.

9.14 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, together shall constitute but one and the same instrument.

9.15 Captions. The captions to the various sections and subsections of this Agreement have been inserted for convenience only and shall not limit or affect any of the terms hereof.

[*signature page follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

COMPANY:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis
Name: Kyle Francis
Title: CFO

PURCHASER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett
Name: Mark Fawcett
Title: Vice President and Treasurer

Signature Page to Investment Agreement (2 of 2)

EXHIBIT A

FORM OF CONVERTIBLE NOTE

EXHIBIT B

FORM OF WARRANT

EXHIBIT C

FORM OF REGISTRATION RIGHTS AGREEMENT

THIS NOTE AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS PROVIDED HEREIN, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS PERMITTED UNDER RULE 144 OF THE ACT OR IS OTHERWISE EXEMPT FROM SUCH REGISTRATION.

APOLLO MEDICAL HOLDINGS, INC.

Convertible Note

$2,000,000 March 28, 2014

Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), for value received, hereby promises to pay to NNA of Nevada, Inc., or its successors and permitted assigns ("Holder"), the principal amount of Two Million Dollars ($2,000,000) with interest on the unpaid principal balance hereof, all as hereinafter further provided.

ARTICLE I

INVESTMENT AGREEMENT

1.1 Agreement; Definitions. This Convertible Note (this "Note") has been issued by Company pursuant to an Investment Agreement, dated as of March 28, 2014, between Company and Holder (such agreement, as amended, restated, refinanced, extended, renewed, supplemented or otherwise modified from time to time, the "Investment Agreement"). Capitalized terms used herein shall have the meanings given thereto in Schedule I and in the Investment Agreement.

1.2 Accounting Terms. Except as specifically provided otherwise in this Note, all accounting terms used herein that are not specifically defined shall have the meanings customarily given them in accordance with GAAP. Notwithstanding anything to the contrary in this Note, for purposes of calculation of the financial covenants set forth in **Article VI**, all accounting determinations and computations hereunder shall be made in accordance with GAAP as in effect as of the date of this Note applied on a basis consistent with the application used in preparing Company's financial statements for the nine-month period ended October 31, 2013. In the event that any changes in GAAP after such date are required to be applied to Company and would affect the computation of the financial covenants contained in **Article VI**, such changes shall be followed only from and after the date this Note shall have been amended to take into account any such changes.

ARTICLE II

BORROWING/PAYMENTS

2.1 Borrowing. Subject to the terms and conditions of this Note, Company may borrow a term loan from Holder in the amount of $2,000,000.00 at any time on or before December 15, 2014. If Company elects to make the borrowing hereunder, Company shall provide written notice to Holder at least 3 Business Days prior to the date of such borrowing. The obligation of Holder to make the term loan pursuant to this **Section 2.1** shall be subject to the following:

(i) each of the representations and warranties made by Company in **Article III** of the Investment Agreement shall be true and correct in all material respects (except to the extent any such representation or warranty is qualified as to materiality or by Material Adverse Effect, in which case such representation or warranty shall be true in all respects) on and as of such date with the same effect as if made on and as of such date (except to the extent any such representation or warranty related to a specific date, in which case such representation or warranty shall be true and correct in all material respects as of such date (except to the extent any such representation or warranty is qualified as to materiality or Material Adverse Effect, in which case such representation or warranty shall be true in all respects as of such date));

(ii) no Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the borrowing;

(iii) the borrowing hereunder shall be deemed to be a representation and warranty by Company on the date of the borrowing as to the truth and accuracy of the facts specified in clauses (i) and (ii) above;

(iv) only one term loan under this **Section 2.1** may be made, and Holder shall not fund a partial term loan or fund the term loan in multiple installments; and

(v) to the extent repaid, the term loan hereunder may not be reborrowed.

2.2 Termination; Maturity.

(a) If Company does not borrow the term loan pursuant to **Section 2.1** by December 15, 2014 and except with respect to any provisions which by their terms survive termination, this Note and the related Guaranty shall be deemed to be terminated without any further action by the parties hereto.

(b) If Company does borrow the term loan pursuant to **Section 2.1** and this Note has not previously been converted in accordance with **Article III** or redeemed in accordance with **Section 2.5** or **Section 2.6**, then the entire outstanding principal of, and any accrued and unpaid interest on, this Note shall be due and payable in full on March 28, 2019 (the "Maturity Date")**.**

2.3 Interest. Interest on the outstanding principal amount of this Note shall accrue from the date hereof until this Note is paid in full at the rate of 8.00% per annum, and shall be payable semi-annually in arrears on June 30 and December 31 of each calendar year, beginning on June 30, 2014, and, if this Note has not been fully converted in accordance with the terms of **Article III** or redeemed in accordance with **Sections 2.5** or **2.6**, on the Maturity Date or any other date on which such unpaid principal balance shall become due and payable in full. Interest on this Note shall be computed on the basis of a 360-day year and for the actual number of days elapsed.

2.4 No Prepayment. Except as provided in **Section 2.5**, Company may not prepay all or any part of the principal of, or accrued and unpaid interest on, this Note without the prior written consent of Holder.

2.5 Option to Request Redemption. At any time prior to the Maturity Date, subject to compliance with this **Section 2.5**, Company may request to redeem this Note for cash in an amount equal to the outstanding principal amount of, and any accrued and unpaid interest on, this Note accrued to, but excluding, the date on which such redemption is to occur (the "Optional Redemption Date"). Company shall provide written notice to Holder at least sixty (60) days prior to the Optional Redemption Date, and Company's right to redeem all or any portion of this Note pursuant to this **Section 2.5** shall be subject in all respects to the right of Holder under **Article III** to convert, at any time prior to the Optional Redemption Date, any or all of any Conversion Amount (as hereinafter defined) into Conversion Shares as provided in **Article III**.

2.6 Mandatory Redemption at Election of Holder.

(a) Subject to the rights of the lender under the Credit Agreement, not later than 90 days after receipt by any Company Party of any proceeds of insurance, condemnation award or other compensation in respect of any Casualty Event (or, if earlier, upon its determination not to repair or replace any property subject to such Casualty Event or to acquire assets used or useable in the business of the Company Parties), Company will (i) prepay the outstanding principal amount of this Note in an amount equal to 100% of the Net Cash Proceeds from such Casualty Event (less any amounts theretofore applied (or contractually committed to be applied) (A) to the repair or replacement of property subject to such Casualty Event or to acquire assets used or useable in the business of the Company Parties and (B) to repay Company's obligations under the Credit Agreement) and will deliver to Holder, concurrently with such prepayment, a certificate signed by a Financial Officer of Company in form and substance satisfactory to Holder and setting forth the calculation of such Net Cash Proceeds. Notwithstanding the foregoing, nothing in this **Section 2.6(a)** shall be deemed to permit any Asset Disposition not expressly permitted under **Section 7.4.**

(b) Subject to the rights of the lender under the Credit Agreement, not later than 90 days after receipt by any Company Party of proceeds in respect of any Asset Disposition other than an Excluded Asset Disposition (or, if earlier, upon its determination not to apply such proceeds to the acquisition of assets used or useable in the business of the Company Parties), Company will (i) prepay the outstanding principal amount of this Note in an amount equal to 100% of the Net Cash Proceeds from such Asset Disposition (less any amounts theretofore applied (or contractually committed to be applied) (A) to acquire assets used or useable in the business of the Company Parties and (B) to repay Company's obligations under the Credit Agreement) and will deliver to Holder, concurrently with such prepayment, a certificate signed by a Financial Officer of Company in form and substance satisfactory to Holder and setting forth the calculation of such Net Cash Proceeds. Notwithstanding the foregoing, nothing in this **Section 2.6(b)** shall be deemed to permit any Asset Disposition not expressly permitted under **Section 7.4**.

2.7 Manner of Payment. Payments of principal and interest on this Note shall be made by wire transfer of immediately available funds to a bank account designated by Holder for such purpose from time to time by written notice to Company, in such currency of the United States as at the time of payment shall be legal tender.

2.8 Obligations to Pay Unconditional. The obligations to make the payments provided for in this Note are absolute and unconditional and not subject to any defense, setoff, counterclaim, rescission, recoupment or adjustment whatsoever. Company hereby expressly waives demand and presentment for payment, notice of nonpayment, notice of dishonor, protest, notice of protest, bringing of suit and diligence in taking any action to collect any amount called for hereunder, and shall be directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission with respect to the collection of any amount called for hereunder.

2.9 Proceeds. The proceeds of this Note shall be used by Company solely (i) to pay fees and expenses in connection with the transactions contemplated by the Credit Agreement, (ii) to provide working capital for Company, and (iii) to finance acquisitions and joint ventures as permitted by the Credit Agreement and this Note.

2.10 Application and Allocation of Payments.

(a) Payments made by Company hereunder shall be applied (a) first, as specifically required hereby; (b) second, to Obligations then due and owing in the same order of priority as set forth in **Section 2.10(b)**; (b) third, so long as no Default or Event of Default then exists or would result therefrom, to other Obligations specified by Company; and (c) fourth, as determined by the Holder in its discretion.

(b) Notwithstanding anything in this Note to the contrary, during an Event of Default, monies to be applied to the Obligations, whether arising from payments by Company, realization on collateral, setoff or otherwise, shall be allocated as follows:

(i) first, to all costs and expenses owing to Holder;

(ii) second, to all Obligations constituting fees;

(iii) third, to all Obligations constituting interest;

(iv) fourth, to all loans hereunder; and

(v) last, to all remaining Obligations.

Amounts shall be applied to payment of each category of Obligations only after payment in full of all preceding categories.

ARTICLE III

CONVERSION

Upon Company borrowing the term loan pursuant to **Section 2.1**, this Note shall be convertible into shares of Company's common stock, par value $0.001 per share (the "Common Stock"), on the terms and conditions set forth in this **Article III**.

3.1 Conversion Right. At any time, and from time to time, on or after the date that Company borrows the term loan, Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as hereinafter defined) into fully paid and non-assessable Conversion Shares, at the Conversion Rate (as hereinafter defined). No fractional shares shall be issued upon conversion of this Note, and any portion of the Conversion Amount that otherwise would be convertible into a fractional share shall be paid in cash in an amount based on the Conversion Price. Company shall pay any and all stock transfer, stamp, documentary and similar taxes (excluding any taxes on the income or gain of Holder) that may be payable with respect to the issuance and delivery of the Conversion Shares to Holder upon conversion of any Conversion Amount.

3.2 Conversion Rate. The number of Conversion Shares issuable upon conversion of any Conversion Amount pursuant to **Section 3.1** (the "Conversion Rate") shall be determined by dividing (x) the Conversion Amount by (y) the Conversion Price.

(a) "Conversion Amount" means the sum of (i) the portion of the principal to be converted and (ii) accrued and unpaid interest with respect to such principal to, but excluding, the Conversion Date.

(b) "Conversion Price" means $1.00 per Share, subject to adjustment as provided herein.

3.3 Procedure for Conversion. To convert any Conversion Amount into Conversion Shares on any date (a "Conversion Date"), Holder shall (a) transmit by facsimile or otherwise in accordance with **Section 11.2**, for receipt on or prior to 4:00 p.m., New York City time, on such date, a copy of an executed notice of conversion in the form attached hereto as Appendix I (the "Conversion Notice") to Company and (b) cause this Note to be delivered to Company as soon as reasonably practicable on or following such date (but no later than within two Business Days following the date on which the Conversion Notice is given). On or before 4:00 p.m., New York City time, on the first Business Day following the date of receipt of a Conversion Notice, Company shall transmit by facsimile or otherwise in accordance with **Section 11.2** a confirmation of receipt of such Conversion Notice to Holder (at the facsimile number provided in the Conversion Notice) and Company's transfer agent, if any. On or before 4:00 p.m., New York City time, on the third Business Day following the date of receipt of a Conversion Notice, Company shall issue and deliver to the address as specified in the Conversion Notice, a certificate (or if consistent with Company's customary practice for issuing Conversion Shares, non-certificated Conversion Shares represented by book-entry on the records of Company or Company's transfer agent (the "Book-Entry Shares")), registered in the name of Holder or its designee, for the number of Conversion Shares to which Holder shall be entitled. Company shall, as soon as reasonably practicable and in no event later than three Business Days after receipt of this Note and at its own expense, issue and deliver to Holder a new Note representing the outstanding principal not converted. The Person(s) entitled to receive the Conversion Shares issuable upon a conversion of this Note shall be treated for all purposes as the record holder or holders of such Conversion Shares on the Conversion Date. Any Conversion Amount converted into Conversion Shares pursuant to this **Section 3.3** shall be deemed to be satisfied in full as of the Conversion Date, and thereafter shall no longer accrue interest, regardless of whether and when this Note is surrendered and regardless of when Conversion Shares are issued.

ARTICLE IV

ANTI-DILUTION PROVISIONS; ADJUSTMENT IN CONVERSION AMOUNT AND CONVERSION PRICE

The Conversion Price and the Conversion Amount shall be subject to adjustment from time to time as provided in this **Article IV**.

4.1 Dividends, Subdivisions and Combinations. If Company, at any time and from time to time, (i) takes a record of the holders of its Common Stock for the purpose of entitling them to receive, or otherwise declares or distributes, a dividend payable in, or other distribution of, additional Conversion Shares or Common Stock Equivalents, (ii) splits or subdivides its outstanding Conversion Shares into a greater number of Conversion Shares or Common Stock Equivalents, or (iii) combines its outstanding Conversion Shares into a smaller number of Conversion Shares or Common Stock Equivalents, then, in each such case, the Conversion Amount shall be adjusted to equal the product of the Conversion Amount in effect immediately prior to the adjustment multiplied by a fraction the numerator of which is equal to the number of Conversion Shares outstanding immediately after such adjustment and the denominator of which is equal to the number of Conversion Shares outstanding immediately prior to the adjustment, and the Conversion Price shall be adjusted pursuant to **Section 4.6**.

4.2 Distributions Payable Other than in Common Stock or Common Stock Equivalents If Company declares or pays any dividend or makes any distribution with respect to shares of its Common Stock other than any dividend or distribution paid or payable in Conversion Shares or Common Stock Equivalents or if Company or any Affiliate thereof makes any redemptions, purchases or other acquisitions of Common Stock or Common Stock Equivalents, Holder shall, upon conversion of this Note, promptly receive the cash, stock, securities or property to which Holder would have been entitled by way of (i) dividends and distributions if Holder had converted this Note immediately prior to the declaration of such dividend or the making of such distribution so as to be entitled thereto and (ii) redemption, purchase or other acquisition if Holder had converted this Note in full immediately prior to such redemption, purchase or other acquisition and such redemption, purchase or other acquisition had been consummated on a *pro rata* basis among all holders of Common Stock (after giving effect to such conversion of the Note).

4.3 Reorganization, Reclassification, Merger, Consolidation, or Disposition of Assets. If Company (a) reorganizes its capital, (b) reclassifies its Capital Stock, (c) merges or consolidates with or into another Person (where Company is not the surviving Person or where there is any change in, or distribution with respect to, the outstanding Capital Stock of Company) (a "Merger"), or (d) sells, transfers or otherwise disposes of all or substantially all of the assets of Company and its Subsidiaries, on a consolidated basis, to another Person (a "Disposition of Assets") and, pursuant to the terms of such reorganization, reclassification, Merger or Disposition of Assets, cash, securities or property are to be received by or distributed to the holders of Common Stock of Company who are holders immediately prior to such transaction, then Holder shall have the right thereafter to receive, upon conversion of this Note, the cash, securities or property receivable by a holder of the number of Conversion Shares for which this Note is convertible immediately prior to such event. In the case of any such reorganization, reclassification, Merger or Disposition of Assets, any successor or acquiring Person (other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Note and the Shareholders Agreement to be performed and observed by Company and all the obligations and liabilities of Company hereunder and thereunder and, upon Holder tendering this Note for cancellation, shall issue a replacement Note containing substantially the same provisions as this Note, but containing appropriate changes due to such event (such as changes to the name of the issuing company and equitable changes to this Note due to the occurrence of such event). The foregoing provisions of this **Section 4.3** shall similarly apply to successive reorganizations, reclassifications, Mergers or Dispositions of Assets.

4.4 Dissolution, Liquidation and Winding Up. In case Company, at any time prior to the conversion in full of this Note, dissolves, liquidates or winds up its affairs, Holder shall have the right to receive upon conversion of this Note, in lieu of the Common Stock that such Holder would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to such Holder upon any such dissolution, liquidation or winding up with respect to such Conversion Shares had such Holder been the holder of record of such Conversion Shares receivable upon the conversion of this Note on the record date for the determination of those Persons entitled to receive any such liquidating distribution, provided, however, that Holder shall not in any case be required to assume or be obligated in respect of any liabilities of Company.

4.5 Dilutive Issuances.

(a) If Company shall at any time after the Closing Date and until and including the earlier of (i) the second anniversary of the Closing Date and (ii) Company's Next Financing issue or sell any Common Stock or Common Stock Equivalents in a Subsequent Issuance (other than an Exempt Issuance) for a consideration per share less than $0.90 (subject to adjustment pursuant to this **Article IV**) (a "Dilutive Issuance"), then the Conversion Amount shall be adjusted by multiplying the Conversion Amount immediately prior thereto by a fraction, the numerator of which shall be the Conversion Price then in effect and the denominator of which shall be the per share consideration received or to be received by Company in such Dilutive Issuance; provided that the Conversion Shares issued upon any prior conversion of this Note shall be disregarded (as if the conversion of this Note and the issuance of such Conversion Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Note under this **Section 4.5(a)** as if there had been no prior conversion of this Note. If Company shall sell or issue Conversion Shares for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the fair market value per share and the consideration received or receivable by or payable to Company for purposes of this **Section 4.5**, the fair value of such property shall be determined reasonably and in good faith by the Company Board. As used herein, "Company's Next Financing" means the closing of a Subsequent Issuance yielding gross cash proceeds in an aggregate amount of at least $2,000,000.

(b) In the event that Company at any time issues, sells or grants any Common Stock Equivalents in a Dilutive Issuance (other than an Exempt Issuance), then, for purposes of this **Section 4.5**, Company shall be deemed to have issued at that time, pursuant to**Section 4.5(a)**, a number of Conversion Shares equal to the maximum number of Conversion Shares that are or shall become issuable upon the exercise of the purchase, conversion or exchange rights associated with such Common Stock Equivalents for consideration per share equal to the sum of (i) the aggregate consideration per share received by Company in connection with the issuance, sale or grant of such Common Stock Equivalents, plus (ii) the minimum amount of consideration per share receivable by Company in connection with the exercise of such Common Stock Equivalents. If, at any time after any adjustment of the Conversion Amount shall have been made pursuant to **Section 4.5(a)** as the result of any issuance, sale or grant of any Common Stock Equivalents, any of such Common Stock Equivalents or the rights of purchase, conversion or exchange associated therewith shall expire, the Conversion Amount then in effect shall be decreased to the Conversion Amount that would have been in effect if such expiring Common Stock Equivalents or rights of purchase, conversion or exchange had never been issued. Similarly, if, at any time after any such adjustment of the Conversion Amount shall have been made pursuant to **Section 4.5(a)**, there is a change in (x) the consideration received or to be received by Company in connection with the issuance or exercise of such Common Stock Equivalents, or (y) the conversion ratio applicable to such Common Stock Equivalents so that a different number Conversion Shares shall be issuable upon the conversion or exchange thereof, the Conversion Amount then in effect shall be readjusted to the Conversion Amount that would have been in effect had such changes taken place at the time that such Common Stock Equivalents were initially issued, granted or sold. In no event shall any readjustment under this **Section 4.5(b)** affect the validity of any Conversion Shares issued upon any conversion of this Note prior to such readjustment; provided that the Conversion Shares issued upon any such prior conversion of this Note shall be disregarded (as if the conversion of this Note and the issuance of such Conversion Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Conversion Shares under this **Section 4.5(b)** as if there had been no such prior conversion of this Note. To the extent that an adjustment to the Conversion Amount is made pursuant to **Section 4.5(a)**, upon the issuance of Common Stock Equivalents, no further adjustment shall be made pursuant to**Section 4.5(a)** upon the issuance of Common Stock upon exercise or conversion of such Common Stock Equivalents.

(c) To the extent that any Equity-Based Payments are made by Company, Company shall pay to Holder in cash, simultaneously with and as a condition to making such Equity-Based Payments, an amount equal to Holder's pro rata share of the sum of (i) the amount of such Equity-Based Payments and (ii) the payments made to Holder of this Note under this paragraph with respect to such Equity-Based Payments. Holder's pro rata share, for purposes of this **Section 4.5(c)**, is the ratio of the number of shares of Common Stock, Conversion Shares and Warrant Shares owned by Holder immediately prior to the Equity-Based Payment to the total number of shares of Common Stock outstanding, without giving effect to Common Stock Equivalents, immediately prior to the Equity-Based Payment.

4.6 Adjustment of Conversion Price. Upon any adjustment of the Conversion Amount as provided in **Sections 4.1** or **4.5**, the Conversion Price shall be adjusted to be equal to the product of (i) the Conversion Price in effect immediately prior to such adjustment multiplied by (ii) the quotient of the Conversion Amount in effect immediately prior to such adjustment divided by the Conversion Amount in effect immediately after such adjustment.

4.7 Determination of Adjustments.

(a) Upon any event that shall require an adjustment pursuant to this **Article IV**, Company shall promptly calculate such adjustment in accordance with the terms of this Note and prepare a certificate setting forth, in reasonable detail, such adjustment, the method of calculation thereof and the facts upon which such adjustment is based, including a statement of (i) the number of Conversion Shares then outstanding on a Fully Diluted Basis and (ii) the Conversion Amount, both as in effect immediately prior to such adjustment and as adjusted on account thereof. Company shall promptly mail a copy of each such certificate to Holder. In the event that Holder objects to the computation of such adjustment prepared by Company within 30 Business Days after receipt thereof, Company shall promptly cause a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to Holder to calculate such adjustment and mail a copy of such computation to Holder, and the computation of such accountants shall be conclusive. Company shall keep at its principal office copies of all such certificates and cause the same to be available for inspection at such office during normal business hours by Holder.

(b) For purposes of this **Article IV**, the consideration received or receivable by Company in connection with the issuance, sale, grant or exercise of additional Conversion Shares or Common Stock Equivalents, irrespective of the accounting treatment of such consideration, shall be valued as follows:

(i) Cash Payment. In the case of cash, the amount received by Company for such issuance, sale, grant or exercise.

(ii) Securities or Other Property. In the case of securities or other property, the fair market value thereof as of the date immediately preceding such issuance, sale, grant or exercise as determined in good faith by the Company Board.

(iii) Allocation Related to Common Stock. In the event Conversion Shares are issued or sold together with other securities or other assets of Company for a consideration that covers both, the consideration received (calculated as provided in (i) and (ii) above) shall be allocable to such Conversion Shares as determined in good faith by the Company Board.

(iv) Allocation Related to Common Stock Equivalents. In case any Common Stock Equivalents shall be issued or sold together with other securities or other assets of Company, together constituting one integral transaction in which no specific consideration is allocated to the Common Stock Equivalents, the consideration allocable to such Common Stock Equivalents shall be determined in good faith by the Company Board.

(v) Merger or Consolidation. In case any Conversion Shares or Common Stock Equivalents shall be issued or granted in connection with any merger or combination in which Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the assets and business of the nonsurviving corporation attributable to such Common Stock or Common Stock Equivalents, as determined in good faith by the Company Board.

(c) The following additional provisions shall be applicable to the adjustments provided for pursuant to this **Article IV**:

(i) When Adjustments to be Made. The adjustments required by this **Article IV** shall be made whenever and as often as any specified event requiring such an adjustment shall occur and shall be effective (A) in the case of any dividend or distribution of Common Stock to the holders of Common Stock, immediately after the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution, and (B) in the case of any other specified event, at the close of business on the date of such specified event.

(ii) Record Date. In case Company shall take a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or other securities or (B) to subscribe for or purchase Common Stock or other securities, then all references in this **Article IV** to the date of the issuance or sale of such Conversion Shares or other securities shall be deemed to be references to such record date; provided, however, that in the event Company legally abandons such action before its occurrence, then no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iii) Fractional Interests. In computing adjustments under this **Article IV**, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share; provided, however, that any resulting fractional share interests shall be settled upon conversion of this Note in accordance with **Section 3.1**.

(iv) Maximum Conversion Price. At no time shall the Conversion Price exceed the amount set forth in **Section 3.2(b)** of this Note except as the proper result of an adjustment pursuant to this **Article IV**.

(v) Certain Limitations. Notwithstanding anything herein to the contrary, Company agrees not to enter into any transaction that, by reason of any adjustment hereunder, would cause the Conversion Price to be less than the par value per share of its Common Stock.

(vi) Independent Application. Except as otherwise provided herein, all sections and subsections of this **Article IV** are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one section or subsection, all applicable sections and subsections shall be given independent effect.

4.8 Breach of Representation and Warranty.

(a) Without limitation of all other remedies available to Holder in this Note or otherwise, in the event that any representation and warranty set forth in Section 3.6 of the Investment Agreement was not true when made, Company shall, at no cost to Holder, increase the number of Conversion Shares issuable upon conversion of this Note such that, if such additional Conversion Shares had been issuable on the Closing Date, the representation and warranty in the last sentence of Section 3.6(b) of the Investment Agreement would have been true and accurate in all respects when made.

(b) Any additional Conversion Shares issuable to Holder pursuant to this Section shall be treated as if they were issued on the Closing Date and shall reflect any dividends or other distributions that would have been accrued or have been payable with respect to, and the application of any antidilution, ratable treatment or similar provisions (as set forth herein, in applicable law or otherwise) that would have been applicable to, such Conversion Shares had such additional Conversion Shares been issuable on the Closing Date.

(c) In connection with the issuance of any additional Conversion Shares under this Section, Company shall reserve a sufficient number of Conversion Shares for issuance to Holder upon conversion of the Note.

ARTICLE V

AFFIRMATIVE COVENANTS

Until payment in full in cash of all principal and interest with respect to this Note, together with all fees, expenses and other amounts then due and owing hereunder:

5.1 Financial Statements. Company will deliver to Holder:

(a) As soon as available and in any event within 50 days (or, if earlier or up to five Business Days later, if applicable to Company at the time of delivery, the quarterly report deadline as extended by Rule 12b-25 under the Exchange Act rules and regulations and, if such day is not a Business Day, then on the next succeeding Business Day) after the end of each fiscal quarter of each fiscal year (excluding the fourth fiscal quarter of each fiscal year), beginning with the first fiscal quarter for which such financial statements were not delivered as of the Closing Date, unaudited consolidated and consolidating balance sheets of Company and its Subsidiaries as of the end of such fiscal quarter and unaudited consolidated and consolidating statements of income, cash flows and stockholders' equity for Company and its Subsidiaries for the fiscal quarter then ended and for that portion of the fiscal year then ended, in each case setting forth comparative consolidated figures as of the end of and for the corresponding period in the preceding fiscal year together with comparative budgeted figures for the fiscal period then ended, all in reasonable detail and prepared in accordance with GAAP (subject to the absence of notes required by GAAP and subject to normal year-end adjustments) applied on a basis consistent with that of the preceding quarter or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such quarter;

(b) As soon as available and in any event within 105 days (or, if earlier or up to 15 Business Days later, if applicable to Company at the time of delivery, the annual report deadline as extended by Rule 12b-25 under the Exchange Act rules and regulations and, if such day is not a Business Day, then on the next succeeding Business Day) after the end of each fiscal year, beginning with fiscal year 2014, an audited consolidated and unaudited consolidating balance sheet of Company and its Subsidiaries as of the end of such fiscal year and the related audited consolidated and unaudited consolidating statements of income, cash flows and stockholders' equity for Company and its Subsidiaries for the fiscal year then ended, including the notes thereto, in each case setting forth comparative consolidated figures as of the end of and for the preceding fiscal year together with comparative budgeted figures for the fiscal year then ended, all in reasonable detail and (with respect to the audited statements) certified by the independent certified public accounting firm regularly retained by Company or another independent certified public accounting firm of recognized national standing reasonably satisfactory to Holder, together with (y) a report thereon by such accountants that is not qualified as to scope of audit and to the effect that such financial statements present fairly in all material respects the consolidated financial condition and results of operations of Company and its Subsidiaries as of the dates and for the periods indicated in accordance with GAAP applied on a basis consistent with that of the preceding year or containing disclosure of the effect on the financial condition or results of operations of any change in the application of accounting principles and practices during such year, and (z) a letter from such accountants to the effect that, based on and in connection with their examination of the financial statements of Company and its Subsidiaries, they obtained no knowledge of the occurrence or existence of any Default or Event of Default relating to accounting or financial reporting matters (which certificate may be limited to the extent required by accounting rules or guidelines), or a statement specifying the nature and period of existence of any such Default or Event of Default disclosed by their audit; and

(c) Concurrently with each delivery of the financial statements described in **Sections 5.1(a)** and **5.1(b)**, a report in form and method of analysis similar to the Management's Discussion and Analysis found in an annual report, Form 10-K or Form 10-Q of a publicly registered company, or in such other form as may be satisfactory to Holder, regarding such topics as Company's financial condition and results of operations, Company's business and corresponding industry and Company's management.

Documents required to be delivered pursuant to **Sections 5.1** or **5.2(c)** (to the extent such documents are included in materials otherwise filed with the U.S. Securities Exchange Commission) may be delivered electronically and if so delivered, will be deemed to have been delivered on the date on which such documents are posted to EDGAR.

5.2 Other Business and Financial Information. Company will deliver to Holder:

(a) Concurrently with each delivery of the financial statements described in **Sections 5.1(a)** (including with respect to financial statements as of the end of and for the fourth fiscal quarter of each fiscal year) and **5.1(b)**, a Compliance Certificate with respect to the period covered by the financial statements being delivered thereunder, executed by a Financial Officer of Company, together with a Covenant Compliance Worksheet reflecting the computation of the financial covenants set forth in **Article VI** as of the last day of the period covered by such financial statements;

(b) Promptly upon receipt thereof, copies of any "management letter" submitted to any Company Party by its certified public accountants in connection with each annual, interim or special audit, and promptly upon completion thereof, any response reports from such Company Party in respect thereof;

(c) Promptly upon the sending, filing or receipt thereof, copies of (i) all financial statements, reports, notices and proxy statements that any Company Party shall send or make available generally to its shareholders, (ii) all regular, periodic and special reports, registration statements and prospectuses (other than on Form S-8) that any Company Party shall render to or file with the SEC, the National Association of Securities Dealers, Inc. or any national securities exchange, and (iii) all press releases and other statements made available generally by any Company Party to the public concerning material developments in the business of the Company Parties;

(d) Promptly upon (and in any event within five Business Days after) any Responsible Officer of any Company Party obtaining knowledge thereof, written notice of any of the following:

(i) the occurrence of any Default or Event of Default, together with a written statement of a Responsible Officer of Company specifying the nature of such Default or Event of Default, the period of existence thereof and the action that Company has taken and proposes to take with respect thereto;

(ii) the institution or threatened institution of any action, suit, investigation or proceeding against or affecting any Company Party, including any such investigation or proceeding by any Governmental Authority (other than routine periodic inquiries, investigations or reviews), that, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, and any material development in any litigation or other proceeding previously reported pursuant to this Section;

(iii) the receipt by any Company Party from any Governmental Authority of (A) any notice asserting any failure by any Company Party to be in compliance with applicable Requirements of Law or that threatens the taking of any action against any Company Party or sets forth circumstances that, if taken or adversely determined, could reasonably be expected to have a Material Adverse Effect, or (B) any notice of any actual or threatened suspension, limitation or revocation of, failure to renew, or imposition of any restraining order, escrow or impoundment of funds in connection with, any license, permit, accreditation or authorization of any Company Party, where such action could reasonably be expected to have a Material Adverse Effect;

(iv) the occurrence of any ERISA Event, together with (x) a written statement of a Responsible Officer of Company specifying the details of such ERISA Event and the action that the applicable Company Party has taken and proposes to take with respect thereto, (y) a copy of any notice with respect to such ERISA Event that may be required to be filed with the PBGC and (z) a copy of any notice delivered by the PBGC to any Company Party or an ERISA Affiliate with respect to such ERISA Event;

(v) the occurrence of any material default under, or any proposed or threatened termination or cancellation of, any Material Contract or other material contract or agreement to which any Company Party is a party, in any such case the default under or termination or cancellation of which could reasonably be expected to have a Material Adverse Effect;

(vi) the occurrence of any of the following: (x) the assertion of any Environmental Claim against or affecting any Company Party or any real property leased, operated or owned by any Company Party, or any Company Party's discovery of a basis for any such Environmental Claim; (y) the receipt by any Company Party of notice of any alleged violation of or noncompliance with any Environmental Laws or release of any Hazardous Substance; or (z) the taking of any investigation, remediation or other responsive action by any Company Party or any other Person in response to the actual or alleged violation of any Environmental Law by any Company Party or generation, storage, transport, release, disposal or discharge of any Hazardous Substances on, to, upon or from any real property leased, operated or owned by any Company Party; but in each case under clauses (x), (y) and (z) above, only to the extent the same could reasonably be expected to have a Material Adverse Effect;

(vii) if Company has not already provided notice to Holder pursuant to **Section 5.8**, the occurrence of a Permitted Acquisition together with a reasonably detailed description of the material terms of such Permitted Acquisition (including, without limitation, the Acquisition Amount and method and structure of payment) and of each Target that is the subject of such Permitted Acquisition; and

(viii) any other matter or event that has, or could reasonably be expected to have, a Material Adverse Effect, together with a written statement of a Responsible Officer of Company setting forth the nature and period of existence thereof and the action that the affected Company Parties have taken and propose to take with respect thereto;

(e) Concurrently with each delivery of the financial statements described in **Section 5.1(b)**, commencing with respect to the financial statements for fiscal year ended 2015, calculations reflecting the computation of Consolidated EBITDA for the Immaterial Subsidiaries as of the last day of the period covered by such financial statements;

(f) As promptly as reasonably possible, such other information about the business, condition (financial or otherwise), operations or properties of any Company Party as Holder may from time to time reasonably request.

5.3 Existence; Franchises; Maintenance of Properties. Company will, and will cause each of the Subsidiary Guarantors to, (i) maintain and preserve in full force and effect its existence, except as expressly permitted otherwise by **Section 7.1**, (ii) obtain, maintain and preserve in full force and effect all other rights, franchises, licenses, permits, certifications, approvals and authorizations required by Governmental Authorities and necessary to the ownership, occupation or use of its properties or the conduct of its business, except to the extent the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (iii) keep all material properties in good working order and condition (normal wear and tear and damage by casualty excepted) and from time to time make all necessary repairs to and renewals and replacements of such properties, except to the extent that any of such properties are obsolete or are being replaced or, in the good faith judgment of Company, are no longer useful or desirable in the conduct of the business of the Company Parties.

5.4 Compliance with Laws. Company will, and will cause each of the Subsidiary Guarantors to, comply in all respects with all Requirements of Law applicable in respect of the conduct of its business and the ownership and operation of its properties, except to the extent the failure so to comply could not reasonably be expected to have a Material Adverse Effect.

5.5 Payment of Obligations. Company will, and will cause each of the Subsidiary Guarantors to, (i) pay, discharge or otherwise satisfy at or before maturity all liabilities and obligations as and when due (subject to any applicable subordination, grace and notice provisions), except to the extent failure to do so would not cause an Event of Default pursuant to **Section 8.1(e)**, and (ii) pay and discharge all taxes, assessments and governmental charges or levies imposed upon it, upon its income or profits or upon any of its properties, prior to the date on which penalties would attach thereto, and all lawful claims that, if unpaid, would become a Lien (other than a Permitted Lien) upon any of the properties of any Company Party; provided, however, that no Company Party shall be required to pay any such obligation, tax, assessment, charge, levy or claim that is being contested in good faith and, if applicable, by proper proceedings and, if applicable, as to which such Company Party is maintaining adequate reserves with respect thereto in accordance with GAAP.

5.6 Insurance. Company will, and will cause each of the Subsidiary Guarantors to, maintain with financially sound and reputable insurance companies insurance with respect to its assets, properties and business, against such hazards and liabilities, of such types and in such amounts, as is customarily maintained by companies in the same or similar businesses similarly situated. Each such policy of insurance shall contain a clause requiring the insurer to give not less than 30 days' prior written notice to Holder before any cancellation of the policies for any reason whatsoever and shall provide that any loss shall be payable in accordance with the terms thereof notwithstanding any act of any Company Party that might result in the forfeiture of such insurance.

5.7 Maintenance of Books and Records; Inspection. Company will, and will cause each of the Subsidiary Guarantors to, (i) maintain adequate books, accounts and records, in which full, true and correct entries shall be made of all financial transactions in relation to its business and properties, and prepare all financial statements required under this Note, in each case in accordance with GAAP and in compliance with the requirements of any Governmental Authority having jurisdiction over it, and (ii) permit employees or agents of Holder to visit and inspect its properties and examine or audit its books, records, working papers and accounts and make copies and memoranda of them, and to discuss its affairs, finances and accounts with its officers and employees and, upon notice to Company, the independent public accountants of Company and the Subsidiary Guarantors (and by this provision Company authorizes such accountants to discuss the finances and affairs of Company and the Subsidiary Guarantors), all at such times and from time to time, upon reasonable notice and during business hours, as may be reasonably requested.

5.8 Permitted Acquisitions. In addition to the requirements contained in the definition of Permitted Acquisition and in the other applicable terms and conditions of this Note, Company shall, with respect to any Permitted Acquisition in which the corresponding Acquisition Amount exceeds $500,000, comply with, and cause each other applicable Company Party to comply with, the following covenants:

(a) Not less than ten Business Days prior to the consummation of any Permitted Acquisition, Company shall have delivered to Holder the following:

(i) a reasonably detailed description of the material terms of such Permitted Acquisition (including, without limitation, the Acquisition Amount and method and structure of payment) and of each Person or business that is the subject of such Permitted Acquisition (each, a "Target");

(ii) audited historical financial statements of the Target (or, if there are two or more Targets that are the subject of such Permitted Acquisition and that are part of the same consolidated group, consolidated historical financial statements for all such Targets) for the two most recent fiscal years available, prepared by a firm of independent certified public accountants reasonably satisfactory to Holder (or, if audited financial statements are not available, unaudited financial statements for such periods), and (if available) unaudited financial statements for any interim periods since the most recent fiscal year-end;

(iii) consolidated projected income statements of Company and its Subsidiaries (giving effect to such Permitted Acquisition and the consolidation with Company of each relevant Target) for the three-year period following the consummation of such Permitted Acquisition, in reasonable detail, together with any appropriate statement of assumptions and pro forma adjustments;

(iv) with respect to any such Permitted Acquisition in which any Contingent Purchase Price Obligations shall be incurred by Company or any other Company Party, a copy of the most recent draft of the acquisition agreement (including schedules and exhibits thereto, to the extent available) and other material documents (including the documentation evidencing such Contingent Purchase Price Obligations);

(v) a certificate, in form and substance reasonably satisfactory to Holder, executed by a Financial Officer of Company setting forth the Acquisition Amount (including a good faith calculation of any Contingent Purchase Price Obligations) and further to the effect that, to the best of such Financial Officer's knowledge, (w) the consummation of such Permitted Acquisition will not result in a violation of any provision of this **Section 5.8** or any other provision of this Note, (x) Company shall show pro forma compliance with the financial covenants set forth in **Article VI** (with such covenant calculations to be attached to the certificate using the Covenant Compliance Worksheet), (y) Company believes in good faith that it will continue to comply with such financial covenants for a period of one year following the date of the consummation of such Permitted Acquisition, and (z) after giving effect to such Permitted Acquisition and any borrowings in connection therewith, Company believes in good faith that it will have sufficient availability hereunder to meet its ongoing working capital requirements; and

(vi) true and correct copies of the final execution copy of the acquisition agreement (including schedules and exhibits thereto) and other material documents and closing papers delivered in connection therewith.

(b) The consummation of each Permitted Acquisition shall be deemed to be a representation and warranty by Company that (except as shall have been approved in writing by Holder) all conditions thereto set forth in this **Section 5.8** and in the description furnished under **Section 5.8(a)(i)** have been satisfied, that the same is permitted in accordance with the terms of this Note, and that the matters certified to by the Financial Officer of Company in the certificate referred to in **Section 5.8(a)(v)** are, to the best of such Financial Officer's knowledge, true and correct in all material respects as of the date such certificate is given, which representation and warranty shall be deemed to be a representation and warranty as of the date thereof for all purposes hereunder.

5.9 Creation or Acquisition of Subsidiaries. Subject to the provisions of **Section 5.8**, Company may from time to time create or acquire new physician practices that will be Subsidiaries hereunder and other new Subsidiaries in connection with Permitted Acquisitions or otherwise, and Subsidiary Guarantors of Company may create or acquire new Subsidiaries; provided that:

(a) Concurrently with (and in any event within ten Business Days after) the creation or direct or indirect acquisition by Company thereof, each such new Subsidiary other than if such new Subsidiary constitutes an Immaterial Subsidiary will execute and deliver to Holder a joinder to the Guaranty, pursuant to which such new Subsidiary shall become a guarantor thereunder and shall guarantee the payment in full of the Obligations of Company under this Note;

(b) Concurrently with (and in any event within 10 Business Days after) the creation or acquisition of any new Subsidiary, Company will deliver to Holder:

(i) (A) a copy of the certificate of incorporation (or other charter documents) of such Subsidiary, certified as of a date that is satisfactory to Holder by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Subsidiary, (B) a copy of the bylaws or similar organizational document of such Subsidiary, certified on behalf of such Subsidiary as of a date that is satisfactory to Holder by the corporate secretary or assistant secretary of such Subsidiary, (C) an original certificate of good standing for such Subsidiary issued by the applicable Governmental Authority of the jurisdiction of incorporation or organization of such Subsidiary and, (D) other than if such new Subsidiary constitutes an Immaterial Subsidiary, copies of the resolutions of the board of directors and, if required, stockholders or other equity owners of such Subsidiary authorizing the execution, delivery and performance of the agreements, documents and instruments executed pursuant to **Section 5.9(a)**, certified on behalf of such Subsidiary by an Authorized Officer of such Subsidiary, all in form and substance reasonably satisfactory to Holder;

(ii) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a report of Uniform Commercial Code financing statement, tax and judgment lien searches performed against such Subsidiary in each jurisdiction in which such Subsidiary is incorporated or organized, has a place of business or maintains any assets, which report shall show no Liens on its assets (other than Permitted Liens);

(iii) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a certificate of the secretary or an assistant secretary of such Subsidiary as to the incumbency and signature of the officers executing agreements, documents and instruments executed pursuant to **Section 5.9(a)**;

(iv) other than if such new Subsidiary constitutes an Immaterial Subsidiary, a certificate as to the solvency of such Subsidiary, addressed to Holder, dated as of the date of creation or acquisition of such Subsidiary and in form and substance reasonably satisfactory to Holder;

(v) other than if such new Subsidiary constitutes an Immaterial Subsidiary, evidence satisfactory to Holder that no Default or Event of Default shall exist immediately before or after the creation or acquisition of such Subsidiary or be caused thereby; and

(vi) a certificate executed by an Authorized Officer of Company and, if such Subsidiary does not constitute an Immaterial Subsidiary, such Subsidiary, which shall constitute a representation and warranty by Company and such Subsidiary as of the date of the creation or acquisition of such Subsidiary that all conditions contained in this Note to such creation or acquisition have been satisfied, in form and substance reasonably satisfactory to Holder; and

(c) If the Acquisition involves a physician practice that will be treated as a Subsidiary of Company, other than if such new Subsidiary constitutes an Immaterial Subsidiary, concurrently with the creation or direct or indirect acquisition by Company thereof, each such physician practice and the owner of all the Capital Stock issued by such physician practice (or, if there is more than one owner, owners of at least seventy-five percent (75%) of the Capital Stock issued by such physician practice) within ten (10) Business Days after the Acquisition shall enter into a Physician Shareholder Agreement and a Physician Practice Management Agreement, in each case on terms and conditions satisfactory to Holder.

(d) If for any reason and at any time a Subsidiary previously qualifying as an Immaterial Subsidiary no longer qualifies as an Immaterial Subsidiary and such Subsidiary involves a physician practice, such Subsidiary and the owner of all the Capital Stock issued by such Subsidiary (or, if there is more than one owner, owners of at least seventy five percent (75%) of the Capital Stock issued by such Subsidiary) within ten (10) Business Days after the first date such Subsidiary no longer qualifies as an Immaterial Subsidiary shall enter into a Physician Shareholder Agreement and a Physician Practice Management Agreement, in each case on terms and conditions satisfactory to Holder.

(e) Other than with respect to a new Subsidiary that constitutes an Immaterial Subsidiary, as promptly as reasonably possible, Company and the Subsidiary Guarantors will deliver any such other documents, certificates and opinions, in form and substance reasonably satisfactory to Holder, as Holder may reasonably request in connection therewith.

5.10 Guaranties. If for any reason and at any time a Subsidiary previously qualifying as an Immaterial Subsidiary no longer qualifies as an Immaterial Subsidiary, such Subsidiary will execute and deliver to the Lender within ten (10) Business Days after the first date such Subsidiary no longer qualifies as an Immaterial Subsidiary a joinder to the Guaranty pursuant to which such Subsidiary shall become a guarantor thereunder and shall guarantee the payment in full of the Obligations of Company under this Agreement and the other Credit Documents.

5.11 Environmental Laws. Company will, and will cause each of the Subsidiary Guarantors to, (i) comply in all material respects with, and use commercially reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws and obtain and comply in all material respects with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, and (ii) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions, required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except to the extent that the same are being contested in good faith by appropriate proceedings or to the extent the failure to conduct or complete any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

5.12 PATRIOT Act Compliance. Company will, and will cause each of the Subsidiary Guarantors to, provide, to the extent commercially reasonable, such information and take such actions as are reasonably requested by Holder in order to assist Holder in maintaining compliance with the PATRIOT Act.

5.13 Securities Filings. Each regular, periodic and special report, registration statement and prospectus that any Company Party shall render to or file with the SEC, the National Association of Securities Dealers, Inc. or any national securities exchange shall satisfy all Requirements of Law when such report, registration statement and prospectus is so rendered or filed.

5.14 Further Assurances. Company will, and will cause each of the Subsidiary Guarantors to, make, execute, endorse, acknowledge and deliver any amendments, modifications or supplements hereto and restatements hereof and any other agreements, instruments or documents, and take any and all such other actions, as may from time to time be reasonably requested by Holder to effect, confirm or further assure or protect and preserve the interests, rights and remedies of Holder under this Note.

5.15 Board Rights. Holder shall have the rights of the Purchaser set forth in Sections 6.1 and 6.2 of the Investment Agreement and such rights hereby are incorporated herein, mutatis mutandis, for the benefit of Holder as if Holder is the Purchaser under the Investment Agreement.

5.16 Immaterial Subsidiaries. Concurrently with the delivery of the calculations required by **Section 5.2(e)**, and if necessary in order to avoid Immaterial Subsidiaries designated pursuant to clause (ii)(B) of the definition thereof from exceeding an aggregate of 5% of Consolidated EBITDA for the fiscal year of Company most recently ended prior to such date of determination, Company shall remove one or more Subsidiaries from such designation and cause any such Subsidiary to comply with **Sections 5.9(d)** and **5.10**, as applicable.

ARTICLE VI

FINANCIAL COVENANTS

Until payment in full in cash of all principal and interest with respect to this Note, together with all fees, expenses and other amounts then due and owing hereunder, Company will not:

6.1 Consolidated EBITDA. Permit Consolidated EBITDA as of the last day of each fiscal quarter shown below, calculated on a year-to-date basis for the fiscal year ended March 2016, to be less than the amount corresponding to such fiscal quarter:

Period		Minimum Consolidated EBITDA
2nd fiscal quarter ended September 2015	$	1,000,000
3rd fiscal quarter ended December 2015	$	1,500,000
4th fiscal quarter ended March 2016	$	2,000,000

6.2 Leverage Ratio. Commencing with Company's fiscal quarter ended March 2016 and for each fiscal quarter thereafter, permit Leverage Ratio as of the last day of the fiscal quarter then ended, to be greater than 4.0 to 1.0.

6.3 Fixed Charge Coverage Ratio. Commencing with Company's fiscal quarter ended September 2015 and for each fiscal quarter thereafter, permit the Fixed Charge Coverage Ratio as of the last day of the fiscal quarter then ended, to be less than 1.25 to 1.0.

6.4 Consolidated Tangible Net Worth. Permit Consolidated Tangible Net Worth as of the last day of each fiscal quarter shown below to be less than the amount corresponding to such fiscal quarter:

Period		Consolidated Tangible Net Worth
1st fiscal quarter ended June 2014	$	(3,700,000)
2nd fiscal quarter ended September 2014	$	(3,700,000)
3rd fiscal quarter ended December 2014	$	(3,700,000)
4th fiscal quarter ended March 2015	$	(3,700,000)
1st fiscal quarter ended June 2015	$	(3,700,000)
2nd fiscal quarter ended September 2015	$	(3,700,000)
3rd fiscal quarter ended December 2015	$	0
4th fiscal quarter ended March 2016 and for each fiscal quarter thereafter	$	2,000,000

ARTICLE VII

NEGATIVE COVENANTS

Until payment in full in cash of all principal and interest with respect to this Note, together with all fees, expenses and other amounts then due and owing hereunder:

7.1 Merger; Consolidation. Company will not, and will not permit or cause any of the Subsidiary Guarantors to liquidate, wind up or dissolve, or enter into any consolidation, merger or other combination, or agree to do any of the foregoing; provided, however, that:

(i) any Wholly Owned Subsidiary of Company may merge or consolidate with, or be liquidated into, (x) Company (so long as Company is the surviving or continuing entity) or (y) any other Wholly Owned Subsidiary (so long as, if either constituent entity is a Subsidiary Guarantor, the surviving or continuing entity is a Subsidiary Guarantor), and in each case so long as no Default or Event of Default has occurred and is continuing or would result therefrom;

(ii) any Wholly Owned Subsidiary of Company may merge or consolidate with another Person (other than another Company Party), so long as (x) the surviving entity is a Subsidiary Guarantor, (y) such merger or consolidation constitutes a Permitted Acquisition and the applicable conditions and requirements of **Sections 5.8** and **5.9** are satisfied, and (z) no Default or Event of Default has occurred and is continuing or would result therefrom; and

(iii) Company may merge or consolidate with another Person (other than another Company Party), so long as (x) Company is the surviving entity, (y) such merger or consolidation constitutes a Permitted Acquisition and the applicable conditions and requirements of **Sections 5.8** and **5.9** are satisfied, and (z) no Default or Event of Default has occurred and is continuing or would result therefrom.

7.2 Indebtedness. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, create, incur, assume or suffer to exist any Indebtedness other than (without duplication):

(i) Indebtedness of the Company Parties incurred under the Credit Agreement and the other Credit Documents, and renewals, refinancings, restatements, replacements or extensions of the foregoing in a principal amount not in excess of that outstanding as of the date of such renewal, refinancing or extension (plus the amount of reasonable fees and expenses relating thereto, including, without limitation, contractual or market rate call or tender premiums) and on terms substantially similar to this Note or no less favorable in any material respect, or with respect to any subordinated terms, in any respect, to Company or Holder;

(ii) purchase money Indebtedness of Company and the Subsidiary Guarantors incurred solely to finance the acquisition, construction or improvement of any equipment, real property or other fixed assets in the ordinary course of business (or assumed or acquired by Company and the Subsidiary Guarantors in connection with a Permitted Acquisition or other transaction permitted under this Note), including Capitalized Lease Obligations, and any renewals, replacements, refinancings or extensions thereof; provided that all such Indebtedness shall not exceed $55,000 in aggregate principal amount outstanding at any one time;

(iii) unsecured loans and advances (A) by Company or any Subsidiary Guarantors to any Subsidiary Guarantor or (B) by any Subsidiary Guarantor to Company, provided, in each case that any such loan or advance is subordinated in right and time of payment to the Obligations and is evidenced by an Intercompany Note, in form and substance reasonably satisfactory to Holder;

(iv) loans and advances by Company or any Subsidiary Guarantor to an Affiliated Physician Practice Entity that is also a Subsidiary Guarantor so long as (A) such Affiliated Physician Practice Entity is consolidated with Company in accordance with GAAP, (B) such Affiliated Physician Practice Entity is party to a Physician Practice Management Agreement with Company or any Subsidiary and (C) the owner(s) of at least seventy five percent (75%) of the Capital Stock of such Affiliated Physician Practice Entity have entered into a Physician Shareholder Agreement, in each case referred to in clauses (B) and (C) on terms and conditions satisfactory to the Lender, provided that, any such loan or advance is (i) not subordinated in right and time of payment to any other obligations of such Affiliated Physician Practice Entity and (ii) made in the ordinary course of business and pursuant to the terms of the Intercompany Loan Agreements and in conjunction with the applicable Physician Practice Management Agreement as then in effect;

(v) loans and advances by Company or any Subsidiary Guarantor to any Immaterial Subsidiary in an aggregate amount not exceeding $50,000 at any one time outstanding; provided, that any such loan or advance is evidenced by an Intercompany Note, in form and substance reasonably satisfactory to Holder and pledged to Holder pursuant to the Security Documents.

(vi) Hedge Agreements entered into in the ordinary course of business to manage existing or anticipated interest rate, foreign currency or commodity risks and not for speculative purposes;

(vii) Indebtedness existing on the Closing Date and described in **Schedule 7.2** as in effect as of the Closing Date, which Indebtedness, for the avoidance of doubt hereunder, may not be refinanced, amended, modified or extended;

(viii) Indebtedness consisting of Guaranty Obligations of Company or any of the Subsidiary Guarantors incurred in the ordinary course of business for the benefit of another Company Party;

(ix) unsecured Indebtedness consisting of (x) Contingent Purchase Price Obligations of Company and the Subsidiary Guarantors or (y) existing Indebtedness of any Person that becomes a Subsidiary of Company, in each case incurred after the Closing Date in connection with a Permitted Acquisition;

(x) Indebtedness arising from any judgment, order, decree or award not constituting an Event of Default under **Section 8.1(j)**;

(xi) Indebtedness that may be deemed to exist pursuant to any performance bond, surety, statutory appeal or similar obligation entered into or incurred by Company or any of the Subsidiary Guarantors in the ordinary course of business;

(xii) Indebtedness of Company and the Subsidiary Guarantors arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five Business Days of its incurrence;

(xiii) Indebtedness in respect of this Note; and

(xiv) Indebtedness not otherwise permitted under this **Section 7.2**, provided that such additional Indebtedness is (a) unsecured, (b) taken together with all other Indebtedness permitted under this **clause (xiv)**, does not exceed, in the aggregate principal amount outstanding at any time, $55,000, and (c) ranks *pari passu* or junior in right of payment to the Obligations under this Note.

7.3 Liens. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, make, create, incur, assume or suffer to exist, any Lien upon or with respect to any part of its property or assets, whether now owned or hereafter acquired, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the Uniform Commercial Code of any state or under any similar recording or notice statute, or agree to do any of the foregoing, other than the following (collectively, "Permitted Liens"):

(i) Liens in favor of Holder created by or otherwise existing under or in connection with the Credit Agreement and the other Credit Documents;

(ii) Liens in existence on the Closing Date and set forth on **Schedule 7.3**;

(iii) Liens imposed by law, such as Liens of carriers, warehousemen, mechanics, materialmen and landlords, incurred in the ordinary course of business for sums not constituting borrowed money that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required);

(iv) Liens (other than any Lien imposed by ERISA, the creation or incurrence of which would result in an Event of Default under **Section 8.1(m)**) incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits, or to secure the performance of letters of credit, bids, tenders, statutory obligations, surety and appeal bonds, leases, public or statutory obligations, government contracts and other similar obligations (other than obligations for borrowed money) entered into in the ordinary course of business;

(v) Liens for taxes, assessments or other governmental charges or statutory obligations that are not delinquent or remain payable without any penalty or that are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP (if so required);

(vi) any attachment, judgment or other Lien not constituting an Event of Default under **clause (j)**, **(k)** or **(l)** of **Section 8.1**;

(vii) Liens securing the Indebtedness permitted under **Section 7.2(ii)**; provided that (x) any such Lien shall attach to the property or Person being acquired, constructed or improved with such Indebtedness concurrently with or within 90 days after the acquisition (or completion of construction or improvement) or the refinancing thereof by Company or such Subsidiary, (y) the amount of the Indebtedness secured by such Lien shall not exceed 100% of the cost to Company or such Subsidiary of acquiring, constructing or improving the property and any other assets then being financed solely by the same financing source, and (z) any such Lien shall not encumber any other property of Company or any of the Subsidiary Guarantors except assets then being financed solely by the same financing source;

(viii) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code of banks or other financial institutions where Company or any of the Subsidiary Guarantors maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business;

(ix) Liens that arise in favor of banks under Article 4 of the Uniform Commercial Code on items in collection and the documents relating thereto and proceeds thereof;

(x) Liens arising from the filing (for notice purposes only) of UCC-1 financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) in respect of true leases otherwise permitted hereunder;

(xi) with respect to any Realty occupied by Company or any of the Subsidiary Guarantors, (a) all easements, rights of way, reservations, licenses, encroachments, variations and similar restrictions, charges and encumbrances on title that do not secure monetary obligations and do not materially impair the use of such property for its intended purposes or the value thereof, and (b) any other Lien or exception to coverage described in mortgagee policies of title insurance issued in favor of and accepted by Holder;

(xii) any leases, subleases, licenses or sublicenses granted by Company or any of the Subsidiary Guarantors to third parties in the ordinary course of business and not interfering in any material respect with the business of Company and the Subsidiary Guarantors, and any interest or title of a lessor, sublessor, licensor or sublicensor under any lease or license permitted under this Note;

(xiii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Company Party in the ordinary course of business not materially interfering with the conduct of the business of the Company Parties taken as a whole;

(xiv) real estate security deposits with respect to leaseholds in the ordinary course of business;

(xv) interests of any collection agency in accounts receivable assigned to it by any Company Party in the ordinary course of business for the purpose of facilitating the collection of such accounts receivable; and

(xvi) Liens not otherwise permitted under this **Section 7.3**, provided that the obligations secured by such other Liens will not exceed $55,000 in the aggregate at any time outstanding.

7.4 Asset Dispositions. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, make or agree to make any Asset Disposition except for:

(i) the sale or other disposition of inventory and Cash Equivalents in the ordinary course of business, non-exclusive licenses of intellectual property in the ordinary course of business and the sale, discount or write-off of past due or impaired accounts receivable for collection purposes (but not for factoring, securitization or other financing purposes), and the termination or unwinding of Hedge Agreements permitted hereunder;

(ii) the sale or other disposition of assets pursuant to any Casualty Event; provided any Net Cash Proceeds therefrom are reinvested or applied to the prepayment of the loans in accordance with the provisions of Section 2.2(d) of the Credit Agreement;

(iii) the sale, lease or other disposition of assets by Company or any Subsidiary Guarantor to Company or to a Subsidiary Guarantor, in each case so long as no Event of Default shall have occurred and be continuing or would result therefrom;

(iv) the sale, exchange or other disposition in the ordinary course of business of equipment or other assets that are obsolete or no longer used in or necessary for the operations of Company and the Subsidiary Guarantors;

(v) the sale, exchange or disposition of assets incidental to any transactions permitted under **Section 7.1**;

(vi) the sale, exchange or other disposition of assets (other than the Capital Stock of Subsidiaries) outside the ordinary course of business for fair value and for cash; provided that (x) the aggregate amount of proceeds from all such sales or dispositions that are consummated during any fiscal year shall not exceed $275,000, (y) any Net Cash Proceeds shall, to the extent required hereunder, be reinvested or applied to the prepayment of this Note in accordance with the provisions of **Section 2.6(b)**, and (z) no Default or Event of Default shall have occurred and be continuing or would result therefrom; and

(vii) the sale, exchange or other disposition of Capital Stock as permitted by **Schedule 7.4(vii)**.

7.5 Investments. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, purchase, own, invest in or otherwise acquire any Capital Stock, evidence of indebtedness or other obligation or security or any interest whatsoever in any other Person, or make or permit to exist any loans, advances or extensions of credit to, or any investment in cash or by delivery of property in, any other Person, or purchase or otherwise acquire (whether in one or a series of related transactions) any portion of the assets, business or properties of another Person (including pursuant to an Acquisition), or create or acquire any Subsidiary, or become a partner or joint venturer in any partnership or joint venture (collectively, "Investments"), or make a commitment or otherwise agree to do any of the foregoing, other than:

(i) Investments consisting of Cash Equivalents;

(ii) Investments consisting of the extension of trade credit, the creation of prepaid expenses, the purchase of inventory, supplies, equipment and other assets, and advances to employees, in each case by Company and the Subsidiary Guarantors in the ordinary course of business;

(iii) Investments consisting of loans and advances to employees, officers or directors of Company and the Subsidiary Guarantors in the ordinary course of business not exceeding $27,500 at any time outstanding;

(iv) Investments (including equity securities and debt obligations) of Company and the Subsidiary Guarantors received in connection with the bankruptcy or reorganization of suppliers and customers and in good faith settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(v) Investments consisting of intercompany Indebtedness permitted under **clauses (iii), (iv) and (v)** of **Section 7.2**;

(vi) Investments existing as of the Closing Date and described in **Schedule 7.5**;

(vii) Investments consisting of the making of capital contributions or the purchase of Capital Stock (x) by Company or any Subsidiary Guarantor in any Affiliate or other Subsidiary that either is a Subsidiary Guarantor immediately prior to, or will be a Subsidiary Guarantor immediately after giving effect to, such Investment; provided that in the case of an Acquisition of any newly created or acquired Subsidiary, Company complies with the provisions of **Sections 5.8** and **5.9** and all requirements of this Note applicable to Permitted Acquisitions, and (z) by any Subsidiary Guarantor in Company;

(viii) Permitted Acquisitions;

(ix) Guaranty Obligations constituting Indebtedness to the extent permitted by **Section 7.2(viii)**;

(x) Hedge Agreements to the extent permitted by **Section 7.2(vi)**;

(xi) Investments constituting capital expenditures to the extent otherwise permitted in this Note;

(xii) Investments constituting prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits provided to third parties, in each case, in the ordinary course of business; and

(xiii) Investments made pursuant to Physician Practice Management Agreements.

7.6 Restricted Payments.

(a) Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, declare or make any dividend payment, or make any other distribution of cash, property or assets, in respect of any of its Capital Stock or any warrants, rights or options to acquire its Capital Stock, or purchase, redeem, retire or otherwise acquire for value any shares of its Capital Stock or any warrants, rights or options to acquire its Capital Stock, or set aside funds for any of the foregoing, except that:

(i) Company and any of the Subsidiary Guarantors may declare and make dividend payments or other distributions payable solely in its common stock;

(ii) each Wholly Owned Subsidiary of Company may declare and make dividend payments or other distributions to Company or to another Wholly Owned Subsidiary of Company, in each case to the extent not prohibited under applicable Requirements of Law;

(iii) each non-Wholly Owned Subsidiary may declare and make dividend payments to Company and the other equity holders thereof so long as (i) such dividend payments are not prohibited under applicable Requirements of Law and (ii) Apollo Medical Management, Inc. (or another Subsidiary Guarantor of Company that directly owns such non-Wholly Owned Subsidiary) receives at least its proportionate share of each such dividend payments based upon its relative holding of the Capital Stock in such non-Wholly Owned Subsidiary; and

(iv) Company and its Subsidiaries may purchase shares of their Capital Stock as permitted by **Schedule 7.6(a)(iv)** if (A) no Default or Event of Default then exists and (B)(I) in an aggregate amount that shall not exceed $50,000 from the Closing Date until such time as Company delivers its financial statements pursuant to **Section 5.1(a)** for its fiscal quarter ended in December 2015 and, thereafter, (II) in any amount as long as Company shall be in compliance with the financial covenants set forth in **Article VI**, before and after giving effect to any such payment, calculated on a pro forma basis as if any such payment was made at the beginning of the calculation period for each such applicable financial covenant.

(b) Company will not, and will not permit any of the Subsidiary Guarantors to, make any payment in respect of any Contingent Purchase Price Obligations (whether or not such Contingent Purchase Price Obligations constitute Indebtedness) unless (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) immediately after giving effect to such payment, Company is in compliance with the financial covenants contained in **Article VI**, such compliance determined with regard to calculations made on a pro forma basis for the Reference Period most recently ended, calculated in accordance with GAAP as if such payment had been made on the last day of such Reference Period, and Holder has received a certificate of a Financial Officer of Company to such effect.

7.7 Transactions with Affiliates. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, enter into any transaction (including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service) with any officer, director, stockholder or other Affiliate of Company or any of the Subsidiary Guarantors, except in the ordinary course of its business and upon fair and reasonable terms that are no less favorable to it than it would be obtained in a comparable arm's length transaction with a Person other than an Affiliate of Company or any of the Subsidiary Guarantors; provided, however, that nothing contained in this **Section 7.7** shall prohibit:

(i) transactions described on **Schedule 7.7** (and any renewals or replacements thereof on terms not materially more disadvantageous to the applicable Company Party) or otherwise expressly permitted under the Credit Agreement;

(ii) transactions among Company and/or the Subsidiary Guarantors not prohibited or contemplated under this Note (provided that such transactions shall remain subject to any other applicable limitations and restrictions set forth in this Note);

(iii) (A) Equity Issuances with respect to Company's Capital Stock to directors, officers and employees of the Company Parties pursuant to equity incentive plans, employment, consulting or director agreements or other employment, consulting or director arrangements approved by the Company Board (or the compensation committee thereof) and to the extent any such issuance constitutes an Exempt Issuance; (B) Equity Issuances by Apollomed Accountable Care Organization, Inc. to directors, officers and employees that do not cause an Event of Default pursuant to **Section 8.1(o)**; and (C) Equity Issuances by Maverick Medical Group Inc. to directors, officers and employees that do not cause a Default or Event of Default;

(iv) the payment by Company of reasonable compensation and benefits to its directors, officers and employees consistent with past practice as of the date hereof; and

(v) Company and the Subsidiary Guarantors entering into, and performing under, Physician Practice Management Agreements, Physician Shareholder Agreements and Intercompany Loan Agreements, each on terms and conditions reasonably satisfactory to Holder.

7.8 Lines of Business. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, engage in any material respect in any lines of business other than the lines of businesses engaged in by it on the Closing Date and businesses and activities reasonably related thereto.

7.9 Sale-Leaseback Transactions. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, become or remain liable as lessee or as guarantor or other surety with respect to any lease, whether an operating lease or a Capitalized Lease, of any property (whether real, personal or mixed, and whether now owned or hereafter acquired) (i) that any Company Party has sold or transferred (or is to sell or transfer) to a Person that is not a Company Party or (ii) that any Company Party intends to use for substantially the same purpose as any other property that, in connection with such lease, has been sold or transferred (or is to be sold or transferred) by a Company Party to another Person that is not a Company Party.

7.10 Certain Amendments. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, amend, modify or waive (i) any provision of any Existing Note or any private placement memorandum relating thereto, the effect of which would be (A) to increase the principal amount due thereunder or provide for any mandatory prepayments not already provided for by the terms thereof, (B) to increase the applicable interest rate or amount of any fees or costs due thereunder, (C) to amend any of the subordination provisions thereunder (including any of the definitions relating thereto), (D) to make any covenant or event of default therein more restrictive or add any new covenant or event of default, (E) to grant any security or collateral to secure payment thereof or (F) to effect any change in the rights or obligations of the Company Parties thereunder or of the holders thereof that, in the reasonable determination of Holder, would be adverse in any material respect to the rights or interests of Holder, (ii) any provision of its articles or certificate of incorporation or formation, bylaws, operating agreement or other applicable formation or organizational documents, as applicable, the terms of any class or series of its Capital Stock, or any agreement among the holders of its Capital Stock or any of them, in each case other than in a manner that could not reasonably be expected to adversely affect Holder in any material respect (provided that Company shall give Holder notice of any such amendment, modification or change, together with certified copies thereof), or (iii) any provision or term of, or the amount of the fees or compensation with respect to, any Physician Practice Management Agreement, Intercompany Loan Agreement, Physician Shareholder Agreement or Executive Employment Agreement without Holder's written consent.

7.11 Limitation on Certain Restrictions. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any restriction or encumbrance on (a) the ability of the Company Parties to perform and comply with their respective obligations under this Note or (b) the ability of any Subsidiary of Company to make any dividend payment or other distribution in respect of its Capital Stock, to repay Indebtedness owed to Company or any other Subsidiary, to make loans or advances to Company or any other Subsidiary, or to transfer any of its assets or properties to Company or any other Subsidiary, except (in the case of clause (b) above only) for such restrictions or encumbrances existing under or by reason of (i) the Investment Documents (as in effect as of the date hereof), (ii) applicable Requirements of Law, (iii) customary non-assignment provisions in leases and licenses of real or personal property entered into by Company or any Subsidiary as lessee or licensee in the ordinary course of business, restricting the assignment or transfer thereof or of property that is the subject thereof, and (iv) customary restrictions and conditions contained in any agreement relating to the sale of assets (including Capital Stock of a Subsidiary) pending such sale; provided that such restrictions and conditions apply only to the assets being sold and such sale is permitted under this Note.

7.12 No Other Negative Pledges. Company will not, and will not permit or cause any of the Subsidiary Guarantors to, enter into or suffer to exist any agreement or restriction that, directly or indirectly, prohibits or conditions the creation, incurrence or assumption of any Lien upon or with respect to any part of its property or assets, whether now owned or hereafter acquired, or agree to do any of the foregoing, except for such agreements or restrictions existing under or by reason of (i) this Note and the other Investment Documents, (ii) applicable Requirements of Law, (iii) any agreement or instrument creating a Permitted Lien (but only to the extent such agreement or restriction applies to the assets subject to such Permitted Lien), (iv) customary provisions in leases and licenses of real or personal property entered into by Company or any Subsidiary as lessee or licensee in the ordinary course of business, restricting the granting of Liens therein or in property that is the subject thereof, and (v) customary restrictions and conditions contained in any agreement relating to the sale of assets (including Capital Stock of a Subsidiary) pending such sale; provided that such restrictions and conditions apply only to the assets being sold and such sale is permitted under this Note.

7.13 Fiscal Year. Company and the Subsidiary Guarantors shall change their fiscal year so that it ends in March, but otherwise Company will not, and will not permit or cause any of the Subsidiary Guarantors to, change its fiscal year or its method of determining fiscal quarters.

7.14 Accounting Changes. Other than as permitted pursuant to **Section 1.2** of this Note, Company will not, and will not permit or cause any of the Subsidiary Guarantors to, make or permit any material change in its accounting policies or reporting practices, except as may be required by GAAP.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

8.1 Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) Company shall fail to (i) pay when due any principal amount payable under this Note or (ii) pay any interest, fees or other charges payable this Note within three (3) Business Days after the same becomes due;

(b) Company shall fail to observe or perform any covenant, restriction or agreement contained in **Sections 2.9**, **5.1**, **5.2(a)**, **5.2(d)(i)**, **5.3**, **5.8** or **5.9** or **Articles VI** or **VII** of this Note;

(c) Company or any Subsidiary shall fail to observe or perform any covenant, restriction or agreement contained in this Note or any other Investment Document and not described in **Sections 8.1(a)** or **(b)** above for fifteen (15) days after the earlier of Company (i) obtaining knowledge of such failure, or (ii) receiving written notice of such failure from Holder;

(d) Any representation, warranty, certification or statement made or deemed made by Company or any Subsidiary Guarantor in this Note, in any other Investment Document or in any certificate, financial statement or other document delivered pursuant to this Note or any other Investment Document shall prove to have been incorrect in any material respect when made or deemed made;

(e) The occurrence and continuance of any default or event of default on the part of Company or any Subsidiary Guarantor (including specifically, but without limitation, defaults due to non-payment) under the terms of any agreement, document or instrument pursuant to which Company or a Subsidiary has incurred any Indebtedness in excess of $55,000, which default would permit acceleration of such indebtedness;

(f) Any Investment Document to which Company or any Subsidiary Guarantor is now or hereafter a party shall for any reason cease to be in full force and effect, in each case unless any such cessation occurs in accordance with the terms thereof or is due to any act or failure to act on the part of Holder; or Company or any Subsidiary Guarantor shall assert any of the foregoing; or any Subsidiary Guarantor or any Person acting on behalf of any Subsidiary Guarantor shall deny or disaffirm such Subsidiary's obligations under the Guaranty or such;

(g) Company or any Subsidiary Guarantor (i) other than as permitted under **Section 7.1**, files a petition for relief under the Bankruptcy Code or any other insolvency law or seeking to adjudicate it bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fails to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (ii) other than as permitted under **Section 7.1**, takes any corporate action to authorize or effect any of the foregoing actions, (iii) generally fails to pay, or admits in writing its inability to pay, its debts as such debts become due; (iv) shall apply for, seek or consent to, or acquiesce in, the appointment of a custodian, receiver, trustee, examiner, liquidator or similar official for it or for any material portion of its assets; (v) benefits from or is subject to the entry of an order for relief under any bankruptcy or insolvency law; or (vi) makes an assignment for the benefit of creditors;

(h) Failure of Company or any Subsidiary Guarantor within thirty (30) days after the commencement of any proceeding against it seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, to have such proceeding dismissed, or to have all orders or proceedings thereunder affecting the operations or the business of Company or such Subsidiary Guarantor stayed, or failure of Company or such Subsidiary Guarantor within thirty (30) days after the appointment, without its consent or acquiescence, of any custodian, receiver trustee, examiner, liquidator or similar official for it or for any material portion of its assets, to have such appointment vacated;

(i) Company or any Subsidiary Guarantor ceases to be Solvent, or ceases to conduct its business substantially as now conducted or is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs;

(j) The entry of one or more judgments or orders for the payment of money in excess of $55,000 in the aggregate against Company or any Subsidiary Guarantor and such judgment(s) or order(s) shall continue unsatisfied and unstayed for a period of thirty (30) days;

(k) The issuance of a writ of execution, attachment or similar process against Company or any Subsidiary Guarantor which shall not be dismissed, stayed, discharged or bonded within thirty (30) days after Company acquires knowledge thereof;

(l) A notice of Lien, levy or assessment in excess of $55,000 is filed of record with respect to all or any portion of the assets of Company or any Subsidiary Guarantor by the United States, or any department, agency or instrumentality thereof, or by any other Governmental Authority, including, without limitation, the PBGC, or if any taxes or debts in excess of $55,000 owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon any assets of Company or any Subsidiary Guarantor in each case and the same is not satisfied, released, discharged or bonded within thirty (30) days after the same becomes a lien or encumbrance or, in the case of ad valorem taxes, prior to the last day when payment may be made without material penalty;

(m) Any ERISA Event or any other event or condition shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result thereof, together with all other ERISA Events and other events or conditions then existing, Company and its ERISA Affiliates have incurred or would be reasonably likely to incur liability to any one or more Plans or Multiemployer Plans or to the PBGC (or to any combination thereof) in excess of $55,000;

(n) Any one or more licenses, permits, accreditations or authorizations of Company or any Subsidiary Guarantor shall be suspended, limited or terminated or shall not be renewed, or any other action shall be taken, by any Governmental Authority in response to any alleged failure by Company or any of its Subsidiaries to be in compliance with applicable Requirements of Law, and such action, individually or in the aggregate, if the event giving rise to such action is not remediated within thirty (30) days of notice of any of the foregoing events, would be reasonably likely to have a Material Adverse Effect;

(o) Any of the following shall occur: (i) Company, itself or through 100% ownership and control of any of the Subsidiary Guarantors, ceases to own, beneficially and of record, and control 100% of the total Capital Stock of any Subsidiary Guarantor hereunder, other than Apollomed Accountable Care Organization, Inc. or any physician practice that is a Subsidiary, (ii) Company, itself or through 100% ownership and control of any of its Subsidiaries, ceases to own, beneficially and of record, and control 51% of the total Capital Stock of Apollomed Accountable Care Organization, Inc., (iii) any Person, or group of Persons acting in concert shall become the "beneficial owner" of Capital Stock of Company representing 35% or more of (x) the combined voting power of the then outstanding Capital Stock of Company ordinarily having the right to vote in the election of directors, or (y) all Capital Stock of Company, (iv) Warren Hosseinion, M.D. shall cease to serve as a senior executive pursuant to his Executive Employment Agreement for any reason unless (A) because of his death or disability or (B) Company hires a new senior executive within thirty (30) days after Warren Hosseinion, M.D. ceases to serve as senior executive and who is reasonably satisfactory to Holder, (v) any Physician Practice Management Agreement or Physician Shareholder Agreement is terminated, for any reason, unless any such agreement is replaced concurrently with its termination by another agreement in form and substance satisfactory to Holder in its sole discretion and Holder has provided its written confirmation of such satisfaction prior to the termination of such agreement, or (vi) during any period of up to twelve (12) consecutive months, commencing after the Closing Date, individuals who at the beginning of such twelve (12) month period were directors of Company (together with any new director whose election by the Company's Board or whose nomination for election by Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors of the Company Board then in office; or

(p) The occurrence of an Event of Default under and as defined in the Credit Agreement.

8.2 Remedies. Upon the occurrence and during the continuance of any Event of Default:

(a) Acceleration of Indebtedness. Holder may, in its sole discretion, (i) declare all or any part of this Note immediately due and payable, whereupon this Note shall become immediately due and payable without presentment, demand, protest, notice or legal process of any kind, all of which are hereby expressly waived by Company; provided, however, that this Note shall automatically become due and payable upon the occurrence of an Event of Default under **Sections 8.1(f)** or **(h)**; and (ii) pursue all other remedies available to it by contract, at law or in equity.

(b) Rights and Remedies Cumulative; Non-Waiver; etc. The enumeration of Holder's rights and remedies set forth in this Note is not intended to be exhaustive and the exercise by Holder of any right or remedy shall not preclude the exercise of any other rights or remedies, all of which shall be cumulative, and shall be in addition to any other right or remedy given hereunder, under any Guaranty or under any other agreement between Company and Holder or that may now or hereafter exist in law or in equity or by suit or otherwise. No delay or failure to take action on the part of Holder in exercising any right, power or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude other or further exercise thereof or the exercise of any other right, power or privilege or shall be construed to be a waiver of any Event of Default. No course of dealing between Company and Holder or their agents or employees shall be effective to change, modify or discharge any provision of this Note or to constitute a waiver of any Event of Default.

ARTICLE IX

TRANSFER

This Note and the rights granted to Holder are transferable and assignable, in whole or in part, subject to the terms of this **Article IX**, upon surrender of this Note to Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer; provided that, other than to Affiliates of Holder, this Note and the rights granted to Holder hereunder shall not be transferable or assignable, in whole or in part, at any time prior to the first anniversary of the date of this Note and, thereafter, shall be transferrable or assignable to any Person other than a Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee(s), or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee(s). Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of Company's obligation to pay such interest and principal. Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein and any assignment of rights and obligations by Company shall be null and void as a matter of law.

ARTICLE X

REGISTRATION RIGHTS

10.1 Registrable Securities. The Conversion Shares issuable upon conversion of this Note shall be "Registrable Securities" under that certain Registration Rights Agreement, dated as of March 28, 2014, by and between Company and Holder.

10.2 Market Stand-off Agreement. In the event of a Qualified IPO, Holder hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 10.2** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Holder only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third party beneficiaries of this **Section 10.2** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 10.2** or that are necessary to give further effect thereto.

ARTICLE XI

MISCELLANEOUS

11.1 Lost or Destroyed Note. Upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Note and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Company, or, in the case of any such mutilation, upon surrender and cancellation of this Note, Company, at its expense, shall execute and deliver, in lieu thereof, a new Note of like date and tenor.

11.2 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

Party	Address
Company	Apollo Medical Holdings, Inc. 700 N. Brand Blvd., Suite 220 Glendale, California 91203 Attention: Chief Financial Officer Telephone: (818) 396-8050 Fax: (818) 844-3888
Holder	NNA of Nevada, Inc. 920 Winter Street Waltham, Massachusetts 02451 Attention: Mark Fawcett/Christine Smith Telephone: (781) 699-2668/(781) 699-9165 Fax:(781) 699-9756

Company or Holder may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

11.3 Waivers. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to Holder whether at law, in equity, or otherwise. No delay, forbearance, or neglect by Holder, whether in one or more instances, in the exercise of any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Note shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Note, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by Holder. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

11.4 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions o**Sections 2.55** and **2.66**, **Article III** or **Article IV** or **Section 5.15** of this Note were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of **Sections 2.55** and **2.66**, **Article III** or **Article IV** or **Section 5.15** of this Note and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

11.5 Controlling Law. This Note and shall be governed by and interpreted in accordance with the laws of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

11.6 Amendment. Any provision of this Note or any other Investment Document to which Company is a party may be amended if such amendment is in writing and is signed by Company and Holder. In connection with any amendment entered into in accordance with this Section, Company shall pay to Holder a fee to be negotiated between Company and Holder. Payment of such fee by Company to Holder shall be a condition precedent to the effectiveness of such amendment and shall be due on the date such amendment is signed by Holder.

11.7 Severability. In the event that any provision of this Note shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not invalidate or render unenforceable any other provision hereof.

11.8 Counterparts. This Note may be executed in several counterparts, each of which shall be an original and all of which, together shall constitute but one and the same instrument.

11.9 Captions. The captions to the various sections and subsections of this Note have been inserted for convenience only and shall not limit or affect any of the terms hereof.

11.10 Confidential Information. In the event the Receiving Party (including its officers, employees, counsel, accountants, partners and other authorized representatives) obtains or has obtained from the Disclosing Party any Confidential Information, the Receiving Party (i) shall treat all such Confidential Information as confidential, (ii) shall use such Confidential Information only for the purposes contemplated in the Investment Agreement and this Note (and related documents), (iii) shall protect such Confidential Information with the same degree of care as the Receiving Party uses to protect its own confidential and proprietary information against public disclosure, but in no case with less than reasonable care, and (iv) shall not disclose such Confidential Information to any third party except to such officers, employees, counsel, accountants, partners and other authorized representatives of the Receiving Party, its Affiliates or potential permitted transferees of the Receiving Party's rights under this Note and the Investment Agreement who need to know such Confidential Information for any proper purpose related to this Note, the Investment Agreement or any transaction contemplated thereby and who have been informed of and have agreed in writing to protect the confidential nature of such Confidential Information and not to use such Confidential Information for any unlawful purpose (and the Receiving Party shall be responsible for compliance with this **Section 11.10** by its and its Affiliates' officers, employees, counsel, accountants, partners and other authorized representatives) or to the extent required by applicable Requirements of Law, provided that, if not prohibited by applicable Requirements of Law, the Receiving Party will (i) provide reasonable advance notice to the Disclosing Party of such disclosure so that the Disclosing Party may seek an appropriate protective order and (ii) to cooperate with the Disclosing Party, at the Disclosing Party's expense, to obtain such protective order. Each party agrees that, due to the unique nature of the Confidential Information, the unauthorized disclosure or use of any Confidential Information of the Disclosing Party may cause irreparable harm and significant injury to the Disclosing Party, the extent of which may be difficult to ascertain and for which there may be no adequate remedy at law. Accordingly, each party agrees that the Disclosing Party, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief enjoining any breach or threatened breach of this **Section 11.10** without the necessity of posting any bond or other security. The Receiving Party shall notify the Disclosing Party in writing immediately upon the Receiving Party's becoming aware of any such breach or threatened breach. Notwithstanding anything to the contrary set forth in this Note or the Investment Agreement, this **Section 11.10** shall survive the termination of this Note.

[*signature page follows*]

IN WITNESS WHEREOF, Company has caused this Note to be duly executed and delivered by its duly authorized representative as of the date first above written.

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

Signature Page to Convertible Note

APPENDIX I

CONVERSION NOTICE

Reference is made to the Convertible Note (the "Note") issued to the undersigned by Apollo Medical Holdings, Inc. ("Company"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into Conversion Shares, par value $0.001 per share (the "Common Stock") of Company, as of the date specified below.

Date of Conversion:

Aggregate Conversion Amount to be converted:

Please confirm the following information:

Conversion Price:

Number of Conversion Shares to be issued:

Please issue the Common Stock into which the Note is being converted in the following name and to the following address:

Issue to:

Facsimile Number:

Authorization:
By:
Title:
Dated:

SCHEDULE I

DEFINITIONS

"Acquisition" means any transaction or series of related transactions, consummated on or after the date hereof, by which Company or any of its Subsidiaries, (i) acquires all or substantially all of the assets of any Person or any going business, division thereof or line of business, whether through purchase of assets, merger or otherwise, (ii) acquires Capital Stock of any Person having at least a majority of combined voting power of the then outstanding Capital Stock of such Person or (iii) enters into a Physician Practice Management Agreement, some other physician practice management agreement or such other agreement with another Person and the effect of which is to cause such Person to be consolidated with Company in accordance with GAAP.

"Acquisition Amount" means, with respect to any Acquisition, the sum (without duplication) of (i) the amount of cash paid as purchase price by Company and its Subsidiaries in connection with such Acquisition, (ii) the value of all Capital Stock of Company issued or given as purchase price in connection with such Acquisition (as determined by the parties thereto under the definitive acquisition agreement and, if no such determination is made, as determined in good faith by the Board of Directors of Company), (iii) the amount (determined by using the face amount or the amount payable at maturity, whichever is greater) of all Indebtedness assumed or acquired by Company and its Subsidiaries in connection with such Acquisition, (iv) the maximum amount of any Contingent Purchase Price Obligations payable in connection with such Acquisition, as determined in good faith by Company, (v) all amounts paid in respect of noncompetition agreements, consulting agreements and similar arrangements entered into in connection with such Acquisition, and (vi) the aggregate fair market value of all other real, mixed or personal property paid as purchase price by Company and its Subsidiaries in connection with such Acquisition.

"Affiliated Physician Practice Entity" means any of Maverick Medical Group, Inc., ApolloMed Care Clinic, ApolloMed Hospitalists, and any other physician practice group that from time to time is consolidated with Company in accordance with GAAP and (i) that is a party to a Physician Practice Management Agreement with Company or any Subsidiary and (ii) for which the owner(s) of at least seventy five percent (75%) of its outstanding Capital Stock have entered into a Physician Shareholder Agreement.

"Asset Disposition" means any sale, assignment, lease, conveyance, transfer or other disposition by any Company Party (whether in one or a series of transactions) of all or any of its assets, business or other properties (including Capital Stock of Subsidiaries), other than pursuant to a Casualty Event.

"Bankruptcy Code" means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

"Book-Entry Shares" has the meaning set forth in **Section 3.3**.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock (whether voting or nonvoting, and whether common or preferred) of such corporation, and (ii) with respect to any Person that is not a corporation, any and all partnership, membership, limited liability company or other equity interests of such Person; and in each case, any and all warrants, rights or options to purchase any of the foregoing.

"Capital Stock Equivalents" means any evidences of indebtedness, shares of capital stock or other securities (including without limitation the Warrants and Convertible Note) that are convertible into or exchangeable for, with or without payment of additional consideration in cash or property, shares of Capital Stock, and any and all options, warrants or other securities or rights to subscribe for, purchase or otherwise acquire shares of Capital Stock or any of the foregoing and any other security or instrument representing, convertible into or exchangeable for Capital Stock or any of the foregoing, in each case whether or not immediately exercisable.

"Capitalized Lease" means any lease or similar arrangement which is of a nature that payment obligations of the lessee or obligor thereunder at the time are or should be capitalized and shown as liabilities (other than current liabilities) upon a balance sheet of such lessee or obligor prepared in accordance with GAAP.

"Capitalized Lease Obligations" means, with respect to any Capitalized Lease, the amount of the obligation of the lessee thereunder that would, in accordance with GAAP, appear on a balance sheet of such lessee with respect to such Capitalized Lease.

"Cash Equivalents" means (i) securities issued or unconditionally guaranteed or insured by the United States of America or any agency or instrumentality thereof, backed by the full faith and credit of the United States of America and maturing within one year from the date of acquisition, (ii) commercial paper issued by any Person organized under the laws of the United States of America, maturing within 180 days from the date of acquisition and, at the time of acquisition, having a rating of at least A-1 or the equivalent thereof by Standard & Poor's Ratings Services or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc., (iii) time deposits and certificates of deposit maturing within 180 days from the date of issuance and issued by a bank or trust company organized under the laws of the United States of America or any state thereof (y) that has combined capital and surplus of at least $500,000,000 or (z) that has (or is a subsidiary of a bank holding company that has) a long-term unsecured debt rating of at least A or the equivalent thereof by Standard & Poor's Ratings Services or at least A2 or the equivalent thereof by Moody's Investors Service, Inc., (iv) repurchase obligations with a term not exceeding thirty (30) days with respect to underlying securities of the types described in clause (i) above entered into with any bank or trust company meeting the qualifications specified in clause (iii) above, (v) money market funds at least ninety-five percent (95%) of the assets of which are continuously invested in securities of the foregoing types, and (vi) cash balances in accounts deposited with banks or other financial institutions in the United States.

"Casualty Event" means, with respect to any property (including any interest in property) of any Company Party, any loss of, damage to, or condemnation or other taking of, such property for which such Company Party receives insurance proceeds, proceeds of a condemnation award or other compensation.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor federal tax code. Any reference to any provision of the Code shall also include the income tax regulations promulgated thereunder, whether final, temporary or proposed.

"Company" has the meaning set forth in the introductory paragraph of this Note.

"Company's Next Financing" has the meaning set forth in **Section 4.5**.

"Compliance Certificate" means a fully completed and duly executed certificate in the form of **Exhibit I** to this Note, together with a Covenant Compliance Worksheet.

"Consolidated EBITDA" means, for Company for any period, the aggregate of (i) Consolidated Net Income of Company for such period, plus (ii) the sum of interest expense, income tax expense, depreciation and amortization, and minus (iii) interest income, all to the extent taken into account in the calculation of Consolidated Net Income of Company for such period.

"Consolidated Funded Debt" means, without duplication, any of the following types of Indebtedness of Company and its Subsidiaries, as determined on consolidated basis in accordance with GAAP:

(i) all obligations for borrowed money, whether current or long-term (including the Obligations hereunder), and all obligations evidenced by bonds, debentures, notes, loan agreements or similar instruments;

(ii) all purchase money Indebtedness (including indebtedness and obligations in respect of conditional sales and title retention arrangements, except for customary conditional sales and title retention arrangements with suppliers that are entered into in the ordinary course of business) and all Indebtedness and obligations in respect of deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business that are payable on terms customary in the trade and not past due other than as a result of a bona fide dispute pursuant to **Section 5.5**);

(iii) the principal amount of capital leases;

(iv) any non-contingent obligations with respect to preferred stock and comparable equity interests providing for mandatory redemption, sinking fund or other like payments; and

(v) any of the foregoing types of Indebtedness of any partnership or joint venture or other similar entity which any such Person is a general partner or joint venture, and, as such, has personal liability for such obligations, but only to the extent there is recourse to such Person for payment thereof.

"Consolidated Net Income" means, for Company for any period, the net income (or loss) of Company and its Subsidiaries, as determined on consolidated basis in accordance with GAAP, but excluding extraordinary gains and losses and any other non-operating gains and losses.

"Consolidated Tangible Net Worth" means, at any date, (i) Company's total stockholders' equity at such date determined for Company and its Subsidiaries on a consolidated basis in accordance with GAAP minus (ii) the amount of intangible assets of Company and its Subsidiaries at such date, including without limitation, goodwill (whether representing the excess of cost over book value of assets acquired, or otherwise), capitalized expenses, patents, trademarks, tradenames, copyrights, franchises, licenses and deferred charges, all determined for Company and its Subsidiaries on a consolidated basis in accordance with GAAP; provided, however, that Company and Holder may mutually agree in writing, in each such party's sole discretion and without any obligation to do so, to add-back to the calculation of "Consolidated Tangible Net Worth" certain goodwill relating to one or more acquisitions.

"Consolidated Entities" means Company and the Subsidiaries of Company.

"Contingent Purchase Price Obligations" means any earnout obligations or similar deferred or contingent purchase price obligations of Company or any of its Subsidiaries incurred or created in connection with an Acquisition.

"Covenant Compliance Worksheet" means a fully completed worksheet in the form of Exhibit A to Exhibit I of this Note.

"Conversion Amount" has the meaning set forth in **Section 3.2(a)**.

"Conversion Date" has the meaning set forth in **Section 3.3**.

"Conversion Notice" has the meaning set forth in **Section 3.3**.

"Conversion Price" has the meaning set forth in **Section 3.2(b)**.

"Default" means any event which with the giving of notice, lapse of time, or both, would become an Event of Default.

"Dilutive Issuance" has the meaning set forth in **Section 4.5**.

"Disposition of Assets" has the meaning set forth in **Section 4.3**.

"Environmental Claims" means any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, allegations, notices of noncompliance or violation, investigations by a Governmental Authority, or proceedings (including administrative, regulatory and judicial proceedings) relating in any way to any Hazardous Substance, any actual or alleged violation of or liability under any Environmental Law or any permit issued, or any approval given, under any Environmental Law (collectively, "Claims"), including (i) any and all Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from any Hazardous Substance or arising from alleged injury or threat of injury to human health or the environment.

"Environmental Laws" means any and all federal, state and local laws, statutes, ordinances, rules, regulations, permits, licenses, approvals, rules of common law and orders of courts or Governmental Authorities, relating to the protection of human health, occupational safety with respect to exposure to Hazardous Substances, or the environment, now or hereafter in effect, and in each case as amended from time to time, including requirements pertaining to the manufacture, processing, distribution, use, treatment, storage, disposal, transportation, handling, reporting, licensing, permitting, investigation or remediation of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, and all rules and regulations from time to time promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with any Consolidated Entity, is treated as (i) a single employer under Section 414(b), (c), (m) or (o) of the Code or (ii) a member of the same controlled group under Section 4001(a)(14) of ERISA.

"ERISA Event" means any of the following: (i) a "reportable event" as defined in Section 4043(c) of ERISA with respect to a Plan or, if any Consolidated Entity or any ERISA Affiliate has received notice, a Multiemployer Plan, for which the requirement to give notice has not been waived by the PBGC (provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code shall be considered a "reportable event" regardless of the issuance of any waiver), (ii) the application by any Consolidated Entity or any ERISA Affiliate for a funding waiver pursuant to Section 412 of the Code, (iii) the incurrence by any Consolidated Entity or any ERISA Affiliate of any Withdrawal Liability, or the receipt by any Consolidated Entity or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA, (iv) the distribution by any Consolidated Entity or any ERISA Affiliate under Section 4041 or 4041A of ERISA of a notice of intent to terminate any Plan or the taking of any action to terminate any Plan, (v) the commencement of proceedings by the PBGC under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by any Consolidated Entity or any ERISA Affiliate of a notice from any Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, (vi) the institution of a proceeding by any fiduciary of any Multiemployer Plan against any Consolidated Entity or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days, (vii) the imposition upon any Consolidated Entity or any ERISA Affiliate of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, or the imposition or threatened imposition of any Lien upon any assets of any Consolidated Entity or any ERISA Affiliate as a result of any alleged failure to comply with the Code or ERISA with respect to any Plan, or (viii) the engaging in or otherwise becoming liable for a Prohibited Transaction by any Consolidated Entity or any ERISA Affiliate.

"Event of Default" has the meaning set forth in **Article VIII**.

"Excluded Asset Disposition" means any Asset Disposition permitted under **Section 7.4(i), (ii), (iii)** or **(iv)**.

"Executive Employment Agreements" has the meaning set forth in Section 3.1(o) of the Credit Agreement.

"Existing Notes" means the 9% Promissory Convertible Notes, as in effect as of the date hereof, scheduled to mature on February 15, 2015 and with an aggregate outstanding principal balance of $1,100,000 as of the Closing Date.

"Financial Officer" means, with respect to any Person, the chief financial officer, vice president - finance, principal accounting officer or treasurer of such Person.

"Fixed Charge Coverage Ratio" means, as of the last day of any fiscal quarter, for Company and its Subsidiaries as determined on consolidated basis in accordance with GAAP, the ratio of (i) Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of such day, to (ii) the sum of (A) all interest expense to the extent paid (or required to be paid) in cash for the period of four consecutive fiscal quarters ending as of such day, (B) all scheduled payments of principal of Consolidated Funded Debt for the 12-month period immediately following such period, (C) all taxes to the extent paid in cash during the period of four consecutive fiscal quarters ending as of such day, (D) all rent expense to the extent paid in cash during the period of four consecutive fiscal quarters ending as of such day and (E) all payments made by Company and its Subsidiaries for purchases of shares of Capital Stock permitted by **Section 7.6(a)(iv)** during the period of four consecutive fiscal quarters ending as of such day.

"Fully Diluted Basis" means, with respect to the Common Stock, as of any date of determination, the number of shares of outstanding Common Stock as of such date plus, without duplication, the maximum number of Conversion Shares issuable as of such date upon exercise of the purchase, conversion or exchange rights associated with all issued and outstanding Common Stock Equivalents.

"fiscal quarter" means a fiscal quarter of Company and its Subsidiaries.

"fiscal year" means a fiscal year of Company and its Subsidiaries.

"Hazardous Substance" means any substance or material meeting any one or more of the following criteria: (i) it is or contains a substance designated as a hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law, (ii) it is toxic, explosive, corrosive, ignitable, infectious, radioactive, mutagenic or otherwise hazardous to human health or the environment and is or becomes regulated by any Governmental Authority, (iii) its presence may require investigation or response under any Environmental Law, (iv) it constitutes a nuisance, trespass or health or safety hazard to Persons or neighboring properties, or (v) it is or contains, without limiting the foregoing, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or wastes, crude oil, nuclear fuel, natural gas or synthetic gas.

"Hedge Agreement" means any interest or foreign currency rate swap, cap, collar, option, hedge, forward rate or other similar agreement or arrangement designed to protect against fluctuations in interest rates or currency exchange rates.

"Holder" has the meaning set forth in the introductory paragraph of this Note.

"Immaterial Subsidiary" means, at any date of determination, (i) Los Angeles Lung Center and Eli E. Hendel, M.D. and (ii) (A) until financial statements are delivered pursuant to **Section 5.1(b)** for Company's fiscal year ended in 2015, those subsidiaries listed on **Schedule 1.1**, as such schedule may be updated from time to time as mutually agreed by Company and Holder, and (B) commencing upon Company's delivery of the financial statements pursuant to Section 5.1(b) for Company's fiscal year ended in 2015, any Subsidiary, together with its Subsidiaries and each other Subsidiary which Company is treating as an "Immaterial Subsidiary" for purposes of this clause (ii)(B) (and, for the avoidance of doubt, excluding Los Angeles Lung Center and Eli Hendel, M.D., which shall remain Immaterial Subsidiaries pursuant to clause (i) of this definition), including their Subsidiaries and without duplication, that contributed less than an aggregate of 5% of Consolidated EBITDA for the fiscal year of Company most recently ended prior to such date of determination.

"Indebtedness" means, for any Person, without duplication (i) obligations of such Person for borrowed money; (ii) obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) obligations of such Person in respect of the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business on terms customary in the trade and not past due other than as a result of a bona fide dispute pursuant to **Section 5.5**); (iv) obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person; (v) Capitalized Lease Obligations of such Person; (vi) obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit (whether or not drawn upon and in the stated amount thereof); (vii) guaranties by such Person of the type of indebtedness described in clauses (i) through (vi) above; (viii) all indebtedness of a third party secured by any Lien on property owned by such Person, whether or not such indebtedness has been assumed by such Person; (ix) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any common stock of such Person; (x) off-balance sheet liability retained in connection with asset securitization programs, synthetic leases, sale and leaseback transactions or other similar obligations arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person and its Subsidiaries; and (xi) obligations under any Hedge Agreement.

"Intercompany Loan Agreement" means any intercompany loan agreement between Company or a Subsidiary, on the one hand, and an Affiliated Physician Practice Entity, on the other hand, on terms and conditions satisfactory to Holder, including without limitation (i) that certain Intercompany Revolving Loan Agreement, dated July 31, 2013, by and between ApolloMed Care Clinic and Apollo Medical Management, Inc., as amended on March 28, 2014, (ii) that certain Intercompany Revolving Loan Agreement, dated September 30, 2013, by and between ApolloMed Hospitalists and Apollo Medical Management, Inc., as amended on March 28, 2014, and (iii) that certain Intercompany Revolving Loan Agreement, dated February 1, 2013, by and between Apollo Medical Management, Inc. and Maverick Medical Group, Inc., as amended on March 28, 2014.

"Investment Agreement" has the meaning set forth in **Section 1.1** of this Note.

"Investment Documents" means this Note, the Investment Agreement, the Guaranty and all other documents executed and delivered with respect to this Note, in each case, as in effect on the Closing Date, as supplemented, amended, restated, extended, renewed, replaced or otherwise modified from time to time in accordance with the terms hereof and thereof.

"Investments" has the meaning set forth in **Section 7.5**.

"Leverage Ratio" means, as of the last day of any fiscal quarter, the ratio of (i) the amount of Consolidated Funded Debt on such day to (ii) Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of such day.

"Lien" means any interest in property securing an obligation owed to, or claim by, a Person other than the owner of such property, whether such interest arises by virtue of contract, statute or common law, including but not limited to the lien or security interest arising from a mortgage, security agreement, pledge, lease, conditional sale, consignment or bailment for security purposes or from attachment, judgment or execution. The term "Lien" shall include any easements, covenants, restrictions, conditions, encroachments, reservations, rights-of-way, leases and other title exceptions and encumbrances affecting real property. For the purpose of this Note, Company or any Subsidiary shall be deemed to own, subject to a Lien, any proceeds of a sale with recourse of accounts receivable, any asset leased under any "sale and lease back" or similar arrangement and any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, financing lease or other title retention agreement relating to such asset.

"Material Contracts" has the meaning set forth in Section 4.19 of the Credit Agreement.

"Maturity Date" has the meaning set forth in **Section 2.12**.

"Merger" has the meaning set forth in **Section 4.3**.

"Multiemployer Plan" means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA.

"Note" has the meaning set forth in **Section 1.1**.

"Obligations" means (i) indebtedness, liabilities, obligations, covenants and duties owing, arising, due or payable from Company or any Subsidiary to Holder of any kind or nature, present or future, arising under this Note or the other Investment Documents, whether direct or indirect (including those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising and however acquired; and (ii) all interest (including to the extent permitted by law, all post-petition interest), charges, expenses, fees, attorneys' fees and any other sums payable by Company or any Subsidiary to Holder under this Note and the other Investment Documents.

"Optional Redemption Date" has the meaning set forth in **Section 2.5**.

"PATRIOT Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001), as amended from time to time, and any successor statute, and all rules and regulations from time to time promulgated thereunder.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA, and any successor thereto.

"Permitted Acquisition" means any Acquisition for which the Acquisition Amount is less than $500,000 and any other Acquisition to which Holder shall have given its prior written consent (which consent may be in its sole discretion and may be given subject to such additional terms and conditions as it shall establish).

"Permitted Liens" has the meaning set forth in **Section 7.3**.

"Physician Practice Management Agreement" means a Physician Practice Management Agreement between an Affiliated Physician Practice Entity and a Subsidiary or Company, as manager, and providing for the management of the non-medical aspects of such Affiliated Physician Practice Entity on terms and conditions satisfactory to Holder.

"Physician Shareholder Agreement" means a Physician Shareholder Agreement, by and between owners of at least seventy five percent (75%) of the Capital Stock issued by an Affiliated Physician Practice Entity, the Subsidiary or Company that is the manager pursuant to the Physician Practice Management Agreement to which such Affiliated Physician Practice Entity is a party, such Affiliated Physician Practice Entity, and Company (if not already party thereto as manager) and on terms and conditions satisfactory to Holder.

"Plan" means any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA that is subject to the provisions of Title IV of ERISA (other than a Multiemployer Plan) and to which any Consolidated Entity or any ERISA Affiliate may have any liability.

"Prohibited Transaction" means any transaction described in (i) Section 406 of ERISA that is not exempt by reason of Section 408 of ERISA or by reason of a Department of Labor prohibited transaction individual or class exemption or (ii) Section 4975(c) of the Code that is not exempt by reason of Section 4975(c)(2) or 4975(d) of the Code.

"Realty" means the real property owned by Company or a Subsidiary Guarantor and set forth on Schedule 4.12 of the Credit Agreement.

"Reference Period" with respect to any date of determination, means (except as may be otherwise expressly provided herein) the period of twelve consecutive fiscal months of Company immediately preceding such date or, if such date is the last day of a fiscal quarter, the period of four consecutive fiscal quarters ending on such date.

"Requirements of Law" means, with respect to any Person, the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person, and any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject or otherwise pertaining to any or all of the transactions contemplated by this Note.

"Responsible Officer" means, with respect to any Person, the president, the chief executive officer, the chief financial officer, any executive officer, or any other Financial Officer of such Person, and any other officer or similar official thereof responsible for the administration of the obligations of such Person in respect of this Note or any other Investment Document.

"Shareholders Agreement" has the meaning set forth in Section 3.1(a)(vii) of the Credit Agreement.

"Solvent" means as to any Person on any particular date, that such Person (i) does not have unreasonably small capital to carry on its business as now conducted and as presently proposed to be conducted, (ii) is able to pay its debts as they become due in the ordinary course of business, and (iii) has assets with a present fair saleable value greater than its total stated liabilities and identified contingent liabilities, including any amounts necessary to satisfy preferential rights of shareholders.

"Subsequent Issuance" means any issue, sale, grant by Company of Common Stock or Common Stock Equivalents or rights to acquire any of the foregoing after the issuance of the Warrants and Note.

"Target" has the meaning set forth in **Section 5.8(a)(i)**.

"Terminating Indebtedness" has the meaning set forth in Section 3.1(*l*) of the Credit Agreement.

"2012 Equity Incentive Plan" means the 2012 Equity Incentive Plan of Apollomed Accountable Care Organization, Inc. as in effect on the Closing Date.

"Wholly Owned" means, with respect to any Subsidiary of any Person, that 100% of the outstanding Capital Stock of such Subsidiary is owned, directly or indirectly, by such Person.

EXHIBIT I

COMPLIANCE CERTIFICATE

To: NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: _____

This Compliance Certificate is furnished pursuant to that certain Convertible Note dated as of March 28, 2014 (as amended or otherwise modified from time to time, the "Note") issued by Apollo Medical Holdings, Inc. ("Company") to NNA of Nevada, Inc., as Holder. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate (and the attached schedule) have the meanings ascribed thereto in the Note.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am an employee of Company;

2. I have reviewed the terms of the Note and I have made, or have caused to be made under my supervision, a reasonable review of the transactions and conditions of Company during the accounting period covered by the attached financial statements;

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below; and

4. **Exhibit A** attached hereto sets forth financial data and computations evidencing Company's compliance with the financial covenants set forth in **Article VI** in the Note, all of which data and computations are true, complete and correct.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which any Company Party has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in **Exhibit A** hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this _____ day of _____, _____.

APOLLO MEDICAL HOLDINGS, INC.

By: _____
Name: _____
Title: _____

Exhibit A

COVENANT COMPLIANCE WORKSHEET

A. Consolidated EBITDA

as of _____, _____

Note: The Consolidated EBITDA Financial Covenant is applied to the fiscal year ended March 2016.

1.	Consolidated EBITDA for the fiscal quarter ended as of the date of determination:		
	(a) Consolidated Net Income[1]	$_____	
	(b) Interest expense	$_____	
	(c) Income tax expense	$_____	
	(d) Depreciation	$_____	
	(e) Amortization	$_____	
	(f) *Sum of Line 1(a) through Line 1(e)*	$_____	
	(g) Interest income	$_____	
	(h) *Subtract Line 1(g) from Line 1(f)*		$_____
2.	Minimum Consolidated EBITDA as of the date of determination permitted by the Note.[2]		$_____

[1] Consolidated Net Income for the fiscal quarter is the net income (or loss) of Company and its Subsidiaries, as determined on a consolidated basis in accordance with GAAP, but excluding extraordinary gains and losses and any other non-operating gains and losses.

[2] The Minimum Consolidated EBITDA, calculated for the period commencing on April 1, 2015 and ending on the last day of the following fiscal quarters, is: (i) 2nd fiscal quarter ended September 2015, $1,000,000; (ii) 3rd fiscal quarter ended December 2015, $1,500,000; and (iii) 4th fiscal quarter ended March 2016, $2,000,000.

B. Leverage Ratio

as of _____, _____

Note: The Leverage Ratio Financial Covenant is applied to the fiscal quarter ended March 2016 and each fiscal quarter thereafter.

Table 1

1.	Consolidated Funded Debt for the fiscal quarter ended as of the date of determination	$_____
2.	Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of the date of determination:[3]	$_____
3.	Leverage Ratio:	
	Divide Line 1 by Line 2	_____ to 1.0
4.	Maximum Leverage Ratio permitted by Note	4.0 to 1.0

Table 2

1.	Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of the date of determination:		
	(a) Consolidated Net Income[4]	$_____	
	(b) Interest expense	$_____	
	(c) Income tax expense	$_____	
	(d) Depreciation	$_____	
	(e) Amortization	$_____	
	(f) *Sum of Line 1(a) through Line 1(e)*	$_____	
	(g) Interest income	$_____	
	(h) *Subtract Line 1(g) from Line 1(f)*		$_____

[3] Use Table 2 to calculate the Consolidated EBITDA for the four consecutive fiscal quarters ending on the date of determination.

[4] Consolidated Net Income for the fiscal quarter is the net income (or loss) of Company and its Subsidiaries, as determined on a consolidated basis in accordance with GAAP, but excluding extraordinary gains and losses and any other non-operating gains and losses.

C. Fixed Charge Coverage Ratio

as of _____, _____

Note: The Fixed Charge Coverage Ratio Financial Covenant is applied to the fiscal quarter ended September 2015 and for each fiscal quarter thereafter.

Table 1

1.	Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of the date of determination:[5]			$_____
2.	Fixed Charges:			
	(a)	all interest expense to the extent paid (or required to be paid) in cash for the period of four consecutive fiscal quarters ending as of the date of determination	$_____	
	(b)	all scheduled payments of principal of Consolidated Funded Debt for the 12-month period immediately following such date of determination	$_____	
	(c)	all taxes to the extent paid in cash during the period of four consecutive fiscal quarters ending as of the date of determination	$_____	
	(d)	all rent expense to the extent paid in cash during the period of four consecutive fiscal quarters ending as of the date of determination	$_____	
	(e)	all payments made by Company and its Subsidiaries for purchases of shares of Capital Stock permitted by **Section 7.6(a)(iv)** of the Note during the period of four fiscal quarters ending as of the date of determination	$_____	
	(f)	*Sum of Line 2(a) through Line 2(e)*		$_____
3.	Fixed Charge Ratio: *Divide Line 1 by Line 2(f)*			_____ to 1.0
4.	Minimum Fixed Charge Coverage Ratio permitted by the Note			1.25 to 1.0

[5] Use Table 2 to calculate the Consolidated EBITDA for the four consecutive fiscal quarters ending on the date of determination.

Table 2

1.	Consolidated EBITDA for the period of four consecutive fiscal quarters ending as of the date of determination:		
	(a) Consolidated Net Income[6]	$_____	
	(b) Interest expense	$_____	
	(c) Income tax expense	$_____	
	(d) Depreciation	$_____	
	(e) Amortization	$_____	
	(f) *Sum of Line 1(a) through Line 1(e)*	$_____	
	(g) Interest income	$_____	
	(h) *Subtract Line 1(g) from Line 1(f)*		$_____

[6] Consolidated Net Income for the fiscal quarter is the net income (or loss) of Company and its Subsidiaries, as determined on a consolidated basis in accordance with GAAP, but excluding extraordinary gains and losses and any other non-operating gains and losses.

D. Consolidated Tangible Net Worth

as of _____, _____

Note: The Consolidated Tangible Net Worth Financial Covenant is applied to the first fiscal quarter ended June 2014 and each fiscal quarter thereafter.

1.	Consolidated Tangible Net Worth[7] for the fiscal quarter ended as of the date of determination	$_____
2.	Minimum Consolidated Tangible Net Worth permitted as of the date of determination permitted by the Note[8]	$_____

[7] Consolidated Tangible Net Worth for the fiscal quarter is (i) Company's total stockholders' equity at such date determined for Company and its Subsidiaries on a consolidated basis in accordance with GAAP minus (ii) the amount of intangible assets of Company and its Subsidiaries at such date, including without limitation, goodwill (whether representing the excess of cost over book value of assets acquired, or otherwise), capitalized expenses, patents, trademarks, tradenames, copyrights, franchises, licenses and deferred charges, all determined for Company and its Subsidiaries on a consolidated basis in accordance with GAAP; provided, however, that Company and Holder may mutually agree in writing, in each such party's sole discretion and without any obligation to do so, to add-back to the calculation of "Consolidated Tangible Net Worth" certain goodwill relating to one or more acquisitions.

[8] The minimum Consolidated Tangible Net Worth for: (i) the 1st fiscal quarter ended June 2014 is $(3,700,000); (ii) the 2nd fiscal quarter ended September 2014 is $(3,700,000); (iii) the 3rd fiscal quarter ended December 2014 is $(3,700,000); (iv) the 4th fiscal quarter ended March 2015 is $(3,700,000); (v) the 1st fiscal quarter ended June 2015 is $(3,700,000); (vi) the 2nd fiscal quarter ended September 2015 is $(3,700,000); (vii) the 3rd fiscal quarter ended December 2015 is $0; (viii) the 4th fiscal quarter ended March 2016 and each fiscal quarter thereafter is $2,000,000.

Exhibit 10.4 EXECUTION COPY

FORM OF COMMON STOCK PURCHASE WARRANT

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS PROVIDED HEREIN, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS PERMITTED UNDER RULE 144 OF THE ACT OR IS OTHERWISE EXEMPT FROM SUCH REGISTRATION.

APOLLO MEDICAL HOLDINGS, INC.

Common Stock Purchase Warrant

Warrant Shares: 1,000,000 Issue Date: March 28, 2014

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, NNA of Nevada, Inc., its successors and permitted assigns (together, "Holder") is entitled, at any time on or after March 28, 2017 (the "Third Anniversary Date"), and prior to 5:00 p.m., New York City time, on March 28, 2021 (the "Expiration Date"), to purchase from Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), up to the number of fully paid and non-assessable shares (the "Shares") of Common Stock, par value $0.001 per share, of Company (the "Common Stock") specified above (the "Warrant Shares") at an initial exercise price of $1.00 per Share (the "Warrant Exercise Price") or to convert this Warrant into Shares, in each case subject to the provisions and upon the terms and conditions set forth in this Warrant. This Warrant has been issued pursuant to an Investment Agreement, dated as of March 28, 2014, between Company and Holder (as it may be amended from time to time in accordance with its terms, the "Investment Agreement"). Capitalized terms used herein and not defined shall have the meanings given thereto in the Investment Agreement.

1. EXERCISE.

1.1 Method of Exercise. Holder may exercise this Warrant in whole or in part to purchase Shares for cash by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached asAppendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with**Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within five Business Days following the date on which the Notice of Exercise is delivered to Company). Unless Holder is exercising the conversion right provided for in **Section 1.2**, Holder shall, within three Trading Days following the date of exercise as aforesaid, also deliver to Company a certified or bank cashier's check, wire transfer of immediately available funds (to an account designated by Company), or other form of payment acceptable to Company, in the amount of the aggregate Warrant Exercise Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant to purchase Shares for cash in accordance with **Section 1.1**, Holder may, at its option, from time to time convert this Warrant, in whole or in part and without any obligation to pay the Warrant Exercise Price, into that number of Shares determined by dividing (x) the aggregate Fair Market Value of the Shares in respect of which this Warrant is being converted minus the aggregate Warrant Exercise Price of such Shares by (y) the Fair Market Value of one Share. The Fair Market Value of one Share shall be determined pursuant to **Section 1.3**, and this Warrant shall automatically be deemed to be converted as provided in **Section 1.5**. Holder may exercise such conversion right under this Warrant in whole or in part by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached as Appendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with **Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within two Business Days following the date on which the Notice of Exercise is delivered to Company). Any reference in this Warrant to the "exercise" of this Warrant or events to occur upon or in connection with the exercise of this Warrant, including without limitation, all provisions of **Section 2**, will apply equally and with the same equitable effect to any conversion of this Warrant even if reference is not specifically made to conversion of this Warrant.

1.3 Fair Market Value**.** For purposes of this Warrant, "Fair Market Value" shall mean, with respect to one Share for any date, the price determined by the first of the following clauses that applies: (a) the average of the daily volume weighted average trading price of the Common Stock for the five Trading Days immediately prior to such date on the Principal Trading Market, or (b) if the Common Stock is not so listed or quoted, as reasonably determined by the Company Board in good faith (provided, that in the event Holder's conversion right under **Section 1.2** is exercised or deemed exercised in connection with a Merger (as defined below) or Disposition of Assets (as defined below), the Fair Market Value shall be determined based upon the cash and fair market value of any securities and other consideration (as determined reasonably and in good faith by the Company Board) as would have been paid for or in respect of each Share issuable (as of immediately prior to the closing of such Merger or Disposition of Assets) upon exercise of this Warrant as if such Share had been issued and outstanding on and as of the closing of such Merger or Disposition of Assets).

1.4 Delivery of Certificate and New Warrant**.** Within three Trading Days after Holder exercises under **Section 1.1** or converts under **Section 1.2** this Warrant and, if applicable, Company receives payment of the aggregate Warrant Exercise Price, Company shall deliver to Holder certificates (or, if consistent with Company's practice for issuing Shares, non-certificated Shares represented by book-entry on the records of Company or Company's transfer agent (the "Book-Entry Shares")) for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new warrant of like tenor representing the Shares not so acquired. The Shares shall be deemed to have been issued, and Holder or any other Person designated by Holder to be named therein shall be deemed to have become a holder of record of such Shares for all purposes as of the date this Warrant shall have been exercised or converted. If Company fails to deliver a certificate or certificates (or, if applicable, Book-Entry Shares) for the Shares as provided herein, in addition to any other remedy available to Holder hereunder, at law or in equity, Holder shall have the right to rescind the exercise or conversion of this Warrant.

1.5 Automatic Conversion upon Expiration**.** So long as the Fair Market Value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with **Section 1.3** above is then greater than the Warrant Exercise Price then in effect and Holder shall not have notified Company in writing to the contrary prior to the Expiration Date, this Warrant shall, to the extent not previously exercised or converted, automatically be deemed to have been fully converted pursuant to **Section 1.2** above (even if not surrendered) as of immediately before any expiration, termination or cancellation of this Warrant, and Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion, or any consideration payable in respect of such Shares in connection with a Merger or Disposition of Assets, if applicable, to Holder.

1.6 Fractional Shares**.** No fractional Share shall be issuable upon exercise or conversion of this Warrant, and the number of Shares to be issues shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of this Warrant, Company shall eliminate such fractional share interest by paying Holder cash in the amount computed by multiplying the fraction al interest by the Fair Market Value (as determined pursuant to **Section 1.3**) of a full Share.

2. ANTI-DILUTION PROVISIONS; ADJUSTMENT IN WARRANT NUMBER AND WARRANT EXERCISE PRICE. The Warrant Exercise Price and Warrant Number shall be subject to adjustment from time to time as provided in this **Section 2**.

2.1 Dividends, Subdivisions and Combinations. If Company, at any time and from time to time, (i) takes a record of the holders of its Common Stock for the purpose of entitling them to receive, or otherwise declares or distributes, a dividend payable in, or other distribution of, additional shares of Common Stock or Common Stock Equivalents, (ii) splits or subdivides its outstanding shares of Common Stock into a greater number of shares of Common Stock or Common Stock Equivalents, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares of Common Stock or Common Stock Equivalents, then, in each such case, the Warrant Number shall be adjusted to equal the product of the Warrant Number in effect immediately prior to the adjustment multiplied by a fraction the numerator of which is equal to the number of shares of Common Stock outstanding immediately after such adjustment and the denominator of which is equal to the number of shares of Common Stock outstanding immediately prior to the adjustment, and the Warrant Exercise Price shall be adjusted pursuant to **Section 2.6**.

2.2 Distributions Payable Other than in Common Stock or Common Stock Equivalents If Company declares or pays any dividend or makes any distribution with respect to shares of its Common Stock other than any dividend or distribution paid or payable in shares of Common Stock or Common Stock Equivalents or if Company or any Affiliate thereof makes any redemptions, purchases or other acquisitions of Common Stock or Common Stock Equivalents, the Holder shall, upon exercise of this Warrant, promptly receive the cash, stock, securities or property to which the Holder would have been entitled by way of (i) dividends and distributions if the Holder had exercised this Warrant immediately prior to the declaration of such dividend or the making of such distribution so as to be entitled thereto and (ii) redemption, purchase or other acquisition if the Holder had exercised this Warrant in full immediately prior to such redemption, purchase or other acquisition and such redemption, purchase or other acquisition had been consummated on a *pro rata* basis among all holders of Common Stock (after giving effect to such exercise of the Warrant).

2.3 Reorganization, Reclassification, Merger, Consolidation, or Disposition of Assets. If Company (a) reorganizes its capital, (b) reclassifies its Capital Stock, (c) merges or consolidates with or into another Person (where Company is not the surviving Person or where there is a change in, or distribution with respect to, the outstanding Capital Stock of Company) (a "Merger"), or (d) sells, transfers or otherwise disposes of all or substantially all of the assets of Company and its Subsidiaries, on a consolidated basis, to another Person (a "Disposition of Assets") and, pursuant to the terms of such reorganization, reclassification, Merger, or Disposition of Assets, cash, securities or property are to be received by or distributed to the holders of Common Stock of Company who are holders immediately prior to such transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the cash, securities or property receivable by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In the case of any such reorganization, reclassification, Merger or Disposition of Assets, any successor or acquiring Person (other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant and the Shareholders Agreement to be performed and observed by Company and all the obligations and liabilities of Company hereunder and thereunder and, upon the Holder tendering this Warrant for cancellation, shall issue a replacement Warrant containing substantially the same provisions as this Warrant, but containing appropriate changes due to such event (such as changes to the name of the issuing company and equitable changes to this Warrant due to the occurrence of such event). The foregoing provisions of this **Section 2.3** shall similarly apply to successive reorganizations, reclassifications, Mergers or Dispositions of Assets.

2.4 Dissolution, Liquidation and Winding Up. In case Company, at any time prior to the exercise in full of this Warrant, dissolves, liquidates or winds up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the Common Stock that such Holder would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to such Holder upon any such dissolution, liquidation or winding up with respect to such shares of Common Stock had such Holder been the holder of record of such shares of Common Stock receivable upon the exercise of this Warrant on the record date for the determination of those Persons entitled to receive any such liquidating distribution, *provided*, *however*, that the Holder shall not in any case be required to assume or be obligated in respect of any liabilities of Company.

2.5 Dilutive Issuances.

(a) If Company shall at any time after the Closing Date and until and including the earlier of (i) the second anniversary of the Closing Date and (ii) Company's Next Financing issue or sell any shares of Common Stock or Common Stock Equivalents in a Subsequent Issuance (other than an Exempt Issuance) for a consideration per share less than $0.90 (subject to adjustment pursuant to this **Section 2**)(a "Dilutive Issuance"), then the Warrant Number shall be adjusted by multiplying the Warrant Number immediately prior thereto by a fraction, the numerator of which shall be the Warrant Exercise Price then in effect and the denominator of which shall be the per share consideration received or to be received by Company in such Dilutive Issuance; *provided* that the Warrant Shares issued upon any prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(a)** as if there had been no prior exercise of this Warrant. If Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the fair market value per share and the consideration received or receivable by or payable to Company for purposes of this **Section 2.5**, the fair value of such property shall be determined reasonably and in good faith by the Company Board. As used herein, "Company's Next Financing" means the closing of a Subsequent Issuance yielding gross cash proceeds in an aggregate amount of at least $2,000,000.

(b) In the event that Company at any time issues, sells or grants any Common Stock Equivalents in a Dilutive Issuance (other than an Exempt Issuance), then, for purposes of this **Section 2.5**, Company shall be deemed to have issued at that time, pursuant to **Section 2.5(a)**, a number of shares of Common Stock equal to the maximum number of shares of Common Stock that are or shall become issuable upon the exercise of the purchase, conversion or exchange rights associated with such Common Stock Equivalents for consideration per share equal to the sum of (i) the aggregate consideration per share received by Company in connection with the issuance, sale or grant of such Common Stock Equivalents, plus (ii) the minimum amount of consideration per share receivable by Company in connection with the exercise of such Common Stock Equivalents. If, at any time after any adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)** as the result of any issuance, sale or grant of any Common Stock Equivalents, any of such Common Stock Equivalents or the rights of purchase, conversion or exchange associated therewith shall expire, the Warrant Number then in effect shall be decreased to the Warrant Number that would have been in effect if such expiring Common Stock Equivalents or rights of purchase, conversion or exchange had never been issued. Similarly, if, at any time after any such adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)**, there is a change in (x) the consideration received or to be received by Company in connection with the issuance or exercise of such Common Stock Equivalents, or (y) the conversion ratio applicable to such Common Stock Equivalents so that a different number shares of Common Stock shall be issuable upon the conversion or exchange thereof, the Warrant Number then in effect shall be readjusted to the Warrant Number that would have been in effect had such changes taken place at the time that such Common Stock Equivalents were initially issued, granted or sold. In no event shall any readjustment under this **Section 2.5(b)** affect the validity of any Warrant Shares issued upon any exercise of this Warrant prior to such readjustment; *provided* that the Warrant Shares issued upon any such prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(b)** as if there had been no such prior exercise of this Warrant. To the extent that an adjustment to the Warrant Number is made pursuant to **Section 2.5(a)**, upon the issuance of Common Stock Equivalents, no further adjustment shall be made pursuant to **Section 2.5(a)** upon the issuance of Common Stock upon exercise or conversion of such Common Stock Equivalents.

(c) To the extent that any Equity-Based Payments are made by Company or any Subsidiary, the Holder of this Warrant shall then be entitled to, and Company shall pay to the Holder of this Warrant in cash, simultaneously with and as a condition to making such Equity-Based Payments, an amount equal to Holder's pro rata share of the sum of (i) the amount of such Equity-Based Payments and (ii) the payments made to the Holder of this Warrant under this paragraph with respect to such Equity-Based Payments. Holder's pro rata share, for purposes of this **Section 2.5(c)**, is the ratio of the number of shares of Common Stock, Conversion Shares and Warrant Shares owned by Holder immediately prior to the Equity-Based Payment to the total number of shares of Common Stock outstanding, without giving effect to Common Stock Equivalents, immediately prior to the Equity-Based Payment.

2.6 Adjustment of Warrant Exercise Price. Upon any adjustment of the Warrant Number as provided in **Sections 2.1** or **2.5**, the Warrant Exercise Price shall be adjusted to be equal to the product of (i) the Warrant Exercise Price in effect immediately prior to such adjustment multiplied by (ii) the quotient of the Warrant Number in effect immediately prior to such adjustment divided by the Warrant Number in effect immediately after such adjustment.

2.7 Determination of Adjustments.

(a) Upon any event that shall require an adjustment pursuant to this **Section 2**, Company shall promptly calculate such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth, in reasonable detail, such adjustment, the method of calculation thereof and the facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock then outstanding on a Fully Diluted Basis and (ii) the Warrant Number, both as in effect immediately prior to such adjustment and as adjusted on account thereof. Company shall promptly mail a copy of each such certificate to the Holder. In the event that the Holder objects to the computation of such adjustment prepared by Company within 30 Business Days after receipt thereof, Company shall promptly cause a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to the Holder to calculate such adjustment and mail a copy of such computation to the Holder, and the computation of such accountants shall be conclusive. Company shall keep at its principal office copies of all such certificates and cause the same to be available for inspection at such office during normal business hours by the Holder.

(b) For purposes of this **Section 2**, the consideration received or receivable by Company in connection with the issuance, sale, grant or exercise of additional shares of Common Stock or Common Stock Equivalents, irrespective of the accounting treatment of such consideration, shall be valued as follows:

(i) Cash Payment. In the case of cash, the amount received by Company for such issuance, sale, grant or exercise.

(ii) Securities or Other Property. In the case of securities or other property, the fair market value thereof as of the date immediately preceding such issuance, sale, grant or exercise as determined in good faith by the Company Board.

(iii) Allocation Related to Common Stock. In the event shares of Common Stock are issued or sold together with other securities or other assets of Company for a consideration that covers both, the consideration received (calculated as provided in (i) and (ii) above) shall be allocable to such shares of Common Stock as determined in good faith by the Company Board.

(iv) Allocation Related to Common Stock Equivalents. In case any Common Stock Equivalents shall be issued or sold together with other securities or other assets of Company, together constituting one integral transaction in which no specific consideration is allocated to the Common Stock Equivalents, the consideration allocable to such Common Stock Equivalents shall be determined in good faith by the Company Board.

(v) Merger or Consolidation. In case any shares of Common Stock or Common Stock Equivalents shall be issued or granted in connection with any merger or combination in which Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the assets and business of the nonsurviving corporation attributable to such Common Stock or Common Stock Equivalents, as determined in good faith by the Company Board.

(c) The following additional provisions shall be applicable to the adjustments provided for pursuant to this **Section 2**:

(i) When Adjustments to be Made. The adjustments required by this **Section 2** shall be made whenever and as often as any specified event requiring such an adjustment shall occur and shall be effective (A) in the case of any dividend or distribution of Common Stock to the holders of Common Stock, immediately after the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution, and (B) in the case of any other specified event, at the close of business on the date of such specified event.

(ii) Record Date. In case Company shall take a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or other securities or (B) to subscribe for or purchase Common Stock or other securities, then all references in this **Section 2** to the date of the issuance or sale of such shares of Common Stock or other securities shall be deemed to be references to such record date; *provided*, *however*, that in the event Company legally abandons such action before its occurrence, then no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iii) Fractional Interests. In computing adjustments under this **Section 2**, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share; provided, however, that any resulting fractional Share interests shall be settled upon exercise or conversion of this Warrant in accordance with **Section 1.6**.

(iv) Maximum Warrant Exercise Price. At no time shall the Warrant Exercise Price exceed the amount set forth in the introductory paragraph of this Warrant except as the proper result of an adjustment pursuant to this **Section 2**.

(v) Certain Limitations. Notwithstanding anything herein to the contrary, Company agrees not to enter into any transaction that, by reason of any adjustment hereunder, would cause the Warrant Exercise Price to be less than the par value per share of its Common Stock.

(vi) Independent Application. Except as otherwise provided herein, all sections and subsections of this **Section 2** are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one section or subsection, all applicable sections and subsections shall be given independent effect.

2.8 Breach of Representation and Warranty.

(a) Without limitation of all other remedies available to the Holder in this Warrant or otherwise, in the event that any representation and warranty set forth in Section 3.6 of the Investment Agreement was not true when made, Company shall issue to the Holder, at no cost to the Holder, an additional amount of Warrants such that, if such issuance of additional Warrants were made on the Closing Date, the representation and warranty in the last sentence of Section 3.6(b) of the Investment Agreement would have been true and accurate in all respects when made.

(b) Any additional Warrants issued to the Holder pursuant to this **Section 2.8** shall be treated as if they were issued on the Closing Date and shall reflect any dividends or other distributions that would have been accrued or have been payable with respect to, and the application of any antidilution, ratable treatment or similar provisions (as set forth herein, in applicable law or otherwise) that would have been applicable to, such Warrants or underlying Warrant Shares had such additional Warrants been issued on the Closing Date.

(c) In connection with the issuance of any additional Warrants under this **Section 2.8**, Company shall reserve a sufficient number of shares of Common Stock for issuance to the Holder upon exercise of such additional Warrants.

3. CERTAIN AGREEMENTS**.** Company hereby covenants and agrees as follows:

3.1 Shares to be Fully Paid**.** All Warrant Shares shall, upon issuance in accordance with the terms of this Warrant, be duly and validly issued, fully paid and non-assessable and not subject to the preemptive or other similar rights of the stockholders of Company.

3.2 Reservation of Shares**.** Until the Expiration Date, Company at all times shall have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant in full.

3.3 Successors and Assigns**.** This Warrant shall be binding upon any entity succeeding to Company by merger, consolidation, or acquisition of all or substantially all Company's assets or all or substantially all of Company's outstanding capital stock or otherwise.

3.4 Issue Tax**.** The issuance of certificates for Warrant Shares upon the exercise or conversion of this Warrant shall be made without charge to Holder or such Warrant Shares for any issuance tax or other costs in respect thereof, *provided* that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than Holder.

3.5 No Rights or Liabilities as a Stockholder. This Warrant shall not entitle Holder to any voting rights or other rights as a stockholder of Company. No provision of this Warrant, in the absence of affirmative action by Holder to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the Warrant Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by creditors of Company.

4. TRANSFER AND REPLACEMENT OF WARRANT**.**

4.1 Restriction on Transfer. Subject to this **Section 4.1**, this Warrant and the rights granted to Holder are transferable and assignable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in substantially the form attached as Appendix 2, at the office or agency of Company referred to in **Section 4.4**. Nothing in this Warrant shall prohibit Holder from assigning, delegating or transferring this Warrant and Holder's rights and obligations under this Warrant to an Affiliate of Holder. Otherwise, Holder may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Warrant or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Until due presentment for registration of transfer on the books of Company, Company may treat the registered holder hereof as the owner and Holder for all purposes, and Company shall not be affected by any notice to the contrary. Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein and any assignment of rights and obligations by Company shall be null and void as a matter of law.

4.2 Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, Company, at its expense, shall execute and deliver, in lieu thereof, a new Warrant of like tenor.

4.3 Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange or replacement, this Warrant shall be promptly canceled by Company. Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by Holder or transferees) and charges payable in connection with the preparation, execution, and delivery of a new Warrant issued to Holder or transferees, as applicable.

4.4 Register. Company shall maintain, at its principal executive offices (or such other office or agency of Company as it may designated by notice to Holder), a register for this Warrant, in which Company shall record the name and address of the Person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

5. REGISTRATION RIGHTS; MARKET STAND-OFF AGREEMENT.

(a) The shares of Common Stock issuable upon exercise or conversion of this Warrant shall be "Registrable Securities" under that certain Registration Rights Agreement, dated as of March 28, 2014, by and between Company and Holder.

(b) In the event of a Qualified IPO, Holder hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 5(b)** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Holder only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third-party beneficiaries of this **Section 5(b)** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 5(b)** or that are necessary to give further effect thereto.

6. MISCELLANEOUS.

6.1 Term. This Warrant is exercisable or convertible in whole or in part at any time and from time to time on or after the Third Anniversary Date and before or on the Expiration Date.

6.2 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

if to Company, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

if to Holder, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax:(781) 699-9756

Company or Holder may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

6.3 Waivers. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to Holder whether at law, in equity, or otherwise. No delay, forbearance, or neglect by Holder, whether in one or more instances, in the exercise of any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Warrant shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Warrant, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by Holder. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

6.4 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

6.5 Counterparts. This Warrant may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Warrant. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.6 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

6.7 Amendment. This Warrant may be amended, modified, or supplemented only pursuant to a written instrument making specific reference to this Warrant and signed by Company and Holder.

6.8 Severability. Whenever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Warrant.

6.9 Descriptive Headings; No Strict Construction. The descriptive headings of this Warrant are inserted for convenience only and do not constitute a substantive part of this Warrant. The parties to this Warrant have participated jointly in the negotiation and drafting of this Warrant. If an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Warrant. The parties agree that prior drafts of this Warrant shall be deemed not to provide any evidence as to the meaning of any provision hereof or the intention of the parties hereto with respect to this Warrant.

[*signature page follows*]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Common Stock Purchase Warrant by their duly authorized representatives as of the date first above written.

COMPANY:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

HOLDER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

APPENDIX 1

NOTICE OF EXERCISE

TO: APOLLO MEDICAL HOLDINGS, INC.

1. The undersigned hereby elects to purchase _____ Shares of the Common Stock of Apollo Medical Holdings, Inc. pursuant to the terms of the attached Common Stock Purchase Warrant (the "**Warrant**") issued to the undersigned (or the undersigned's predecessor or assignor), and shall tender payment of the exercise price in full in accordance with the terms of the Warrant.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Shares as is necessary, in accordance with the formula set forth in**Section 1.2** of the Warrant, to exercise the Warrant with respect to the maximum number of Shares purchasable pursuant to the cashless exercise procedure set forth in **Section 1.2** of the Warrant.

3. Please issue a certificate or certificates (or, if applicable, Book-Entry Shares) representing said Shares in the name of the undersigned or in such other name as is specified below:

The Shares shall be delivered by physical delivery of a certificate (or, if applicable, Book-Entry Shares) to:

[SIGNATURE OF HOLDER]

Name of Holder:
Signature of Authorized Signatory of Holder:
Name of Authorized Signatory:
Title of Authorized Signatory:
Date:

Date of exercise under **Section 1.1** of the Warrant or date of exercise of conversion right under **Section 1.2** of the Warrant is the date this Notice is deemed effectively given under **Section 6.2** of this Warrant.

APPENDIX 2

ASSIGNMENT FORM

(To Assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED,

(check first box OR fill in number of Shares in second box)

[___] all of the Warrant

OR

[_____] shares of the foregoing Warrant

and all rights evidenced thereby are hereby assigned to:

_____ whose address is _____
_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Exhibit 10.5 EXECUTION COPY

FORM OF COMMON STOCK PURCHASE WARRANT

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS PROVIDED HEREIN, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS PERMITTED UNDER RULE 144 OF THE ACT OR IS OTHERWISE EXEMPT FROM SUCH REGISTRATION.

APOLLO MEDICAL HOLDINGS, INC.

Common Stock Purchase Warrant

Warrant Shares: 2,000,000 Issue Date: March 28, 2014

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, NNA of Nevada, Inc., its successors and permitted assigns (together, "Holder") is entitled, at any time on or after March 28, 2017 (the "Third Anniversary Date"), and prior to 5:00 p.m., New York City time, on March 28, 2021 (the "Expiration Date"), to purchase from Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), up to the number of fully paid and non-assessable shares (the "Shares") of Common Stock, par value $0.001 per share, of Company (the "Common Stock") specified above (the "Warrant Shares") at an initial exercise price of $2.00 per Share (the "Warrant Exercise Price") or to convert this Warrant into Shares, in each case subject to the provisions and upon the terms and conditions set forth in this Warrant. This Warrant has been issued pursuant to an Investment Agreement, dated as of March 28, 2014, between Company and Holder (as it may be amended from time to time in accordance with its terms, the "Investment Agreement"). Capitalized terms used herein and not defined shall have the meanings given thereto in the Investment Agreement.

1. EXERCISE**.**

1.1 Method of Exercise. Holder may exercise this Warrant in whole or in part to purchase Shares for cash by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached asAppendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with**Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within five Business Days following the date on which the Notice of Exercise is delivered to Company). Unless Holder is exercising the conversion right provided for in **Section 1.2**, Holder shall, within three Trading Days following the date of exercise as aforesaid, also deliver to Company a certified or bank cashier's check, wire transfer of immediately available funds (to an account designated by Company), or other form of payment acceptable to Company, in the amount of the aggregate Warrant Exercise Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant to purchase Shares for cash in accordance with **Section 1.1**, Holder may, at its option, from time to time convert this Warrant, in whole or in part and without any obligation to pay the Warrant Exercise Price, into that number of Shares determined by dividing (x) the aggregate Fair Market Value of the Shares in respect of which this Warrant is being converted minus the aggregate Warrant Exercise Price of such Shares by (y) the Fair Market Value of one Share. The Fair Market Value of one Share shall be determined pursuant to **Section 1.3**, and this Warrant shall automatically be deemed to be converted as provided in **Section 1.5**. Holder may exercise such conversion right under this Warrant in whole or in part by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached as Appendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with **Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within two Business Days following the date on which the Notice of Exercise is delivered to Company). Any reference in this Warrant to the "exercise" of this Warrant or events to occur upon or in connection with the exercise of this Warrant, including without limitation, all provisions of **Section 2**, will apply equally and with the same equitable effect to any conversion of this Warrant even if reference is not specifically made to conversion of this Warrant.

1.3 Fair Market Value**.** For purposes of this Warrant, "Fair Market Value" shall mean, with respect to one Share for any date, the price determined by the first of the following clauses that applies: (a) the average of the daily volume weighted average trading price of the Common Stock for the five Trading Days immediately prior to such date on the Principal Trading Market, or (b) if the Common Stock is not so listed or quoted, as reasonably determined by the Company Board in good faith (provided, that in the event Holder's conversion right under **Section 1.2** is exercised or deemed exercised in connection with a Merger (as defined below) or Disposition of Assets (as defined below), the Fair Market Value shall be determined based upon the cash and fair market value of any securities and other consideration (as determined reasonably and in good faith by the Company Board) as would have been paid for or in respect of each Share issuable (as of immediately prior to the closing of such Merger or Disposition of Assets) upon exercise of this Warrant as if such Share had been issued and outstanding on and as of the closing of such Merger or Disposition of Assets).

1.4 Delivery of Certificate and New Warrant**.** Within three Trading Days after Holder exercises under **Section 1.1** or converts under **Section 1.2** this Warrant and, if applicable, Company receives payment of the aggregate Warrant Exercise Price, Company shall deliver to Holder certificates (or, if consistent with Company's practice for issuing Shares, non-certificated Shares represented by book-entry on the records of Company or Company's transfer agent (the "Book-Entry Shares")) for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new warrant of like tenor representing the Shares not so acquired. The Shares shall be deemed to have been issued, and Holder or any other Person designated by Holder to be named therein shall be deemed to have become a holder of record of such Shares for all purposes as of the date this Warrant shall have been exercised or converted. If Company fails to deliver a certificate or certificates (or, if applicable, Book-Entry Shares) for the Shares as provided herein, in addition to any other remedy available to Holder hereunder, at law or in equity, Holder shall have the right to rescind the exercise or conversion of this Warrant.

1.5 Automatic Conversion upon Expiration**.** So long as the Fair Market Value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with **Section 1.3** above is then greater than the Warrant Exercise Price then in effect and Holder shall not have notified Company in writing to the contrary prior to the Expiration Date, this Warrant shall, to the extent not previously exercised or converted, automatically be deemed to have been fully converted pursuant to **Section 1.2** above (even if not surrendered) as of immediately before any expiration, termination or cancellation of this Warrant, and Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion, or any consideration payable in respect of such Shares in connection with a Merger or Disposition of Assets, if applicable, to Holder.

1.6 Fractional Shares**.** No fractional Share shall be issuable upon exercise or conversion of this Warrant, and the number of Shares to be issues shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of this Warrant, Company shall eliminate such fractional share interest by paying Holder cash in the amount computed by multiplying the fraction al interest by the Fair Market Value (as determined pursuant to **Section 1.3**) of a full Share.

2. ANTI-DILUTION PROVISIONS; ADJUSTMENT IN WARRANT NUMBER AND WARRANT EXERCISE PRICE. The Warrant Exercise Price and Warrant Number shall be subject to adjustment from time to time as provided in this **Section 2**.

2.1 Dividends, Subdivisions and Combinations. If Company, at any time and from time to time, (i) takes a record of the holders of its Common Stock for the purpose of entitling them to receive, or otherwise declares or distributes, a dividend payable in, or other distribution of, additional shares of Common Stock or Common Stock Equivalents, (ii) splits or subdivides its outstanding shares of Common Stock into a greater number of shares of Common Stock or Common Stock Equivalents, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares of Common Stock or Common Stock Equivalents, then, in each such case, the Warrant Number shall be adjusted to equal the product of the Warrant Number in effect immediately prior to the adjustment multiplied by a fraction the numerator of which is equal to the number of shares of Common Stock outstanding immediately after such adjustment and the denominator of which is equal to the number of shares of Common Stock outstanding immediately prior to the adjustment, and the Warrant Exercise Price shall be adjusted pursuant to **Section 2.6**.

2.2 Distributions Payable Other than in Common Stock or Common Stock Equivalents If Company declares or pays any dividend or makes any distribution with respect to shares of its Common Stock other than any dividend or distribution paid or payable in shares of Common Stock or Common Stock Equivalents or if Company or any Affiliate thereof makes any redemptions, purchases or other acquisitions of Common Stock or Common Stock Equivalents, the Holder shall, upon exercise of this Warrant, promptly receive the cash, stock, securities or property to which the Holder would have been entitled by way of (i) dividends and distributions if the Holder had exercised this Warrant immediately prior to the declaration of such dividend or the making of such distribution so as to be entitled thereto and (ii) redemption, purchase or other acquisition if the Holder had exercised this Warrant in full immediately prior to such redemption, purchase or other acquisition and such redemption, purchase or other acquisition had been consummated on a *pro rata* basis among all holders of Common Stock (after giving effect to such exercise of the Warrant).

2.3 Reorganization, Reclassification, Merger, Consolidation, or Disposition of Assets. If Company (a) reorganizes its capital, (b) reclassifies its Capital Stock, (c) merges or consolidates with or into another Person (where Company is not the surviving Person or where there is a change in, or distribution with respect to, the outstanding Capital Stock of Company) (a "Merger"), or (d) sells, transfers or otherwise disposes of all or substantially all of the assets of Company and its Subsidiaries, on a consolidated basis, to another Person (a "Disposition of Assets") and, pursuant to the terms of such reorganization, reclassification, Merger, or Disposition of Assets, cash, securities or property are to be received by or distributed to the holders of Common Stock of Company who are holders immediately prior to such transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the cash, securities or property receivable by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In the case of any such reorganization, reclassification, Merger or Disposition of Assets, any successor or acquiring Person (other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant and the Shareholders Agreement to be performed and observed by Company and all the obligations and liabilities of Company hereunder and thereunder and, upon the Holder tendering this Warrant for cancellation, shall issue a replacement Warrant containing substantially the same provisions as this Warrant, but containing appropriate changes due to such event (such as changes to the name of the issuing company and equitable changes to this Warrant due to the occurrence of such event). The foregoing provisions of this **Section 2.3** shall similarly apply to successive reorganizations, reclassifications, Mergers or Dispositions of Assets.

2.4 Dissolution, Liquidation and Winding Up. In case Company, at any time prior to the exercise in full of this Warrant, dissolves, liquidates or winds up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the Common Stock that such Holder would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to such Holder upon any such dissolution, liquidation or winding up with respect to such shares of Common Stock had such Holder been the holder of record of such shares of Common Stock receivable upon the exercise of this Warrant on the record date for the determination of those Persons entitled to receive any such liquidating distribution, *provided*, *however*, that the Holder shall not in any case be required to assume or be obligated in respect of any liabilities of Company.

2.5 Dilutive Issuances.

(a) If Company shall at any time after the Closing Date and until and including the earlier of (i) the second anniversary of the Closing Date and (ii) Company's Next Financing issue or sell any shares of Common Stock or Common Stock Equivalents in a Subsequent Issuance (other than an Exempt Issuance) for a consideration per share less than $0.90 (subject to adjustment pursuant to this **Section 2**)(a "Dilutive Issuance"), then the Warrant Number shall be adjusted by multiplying the Warrant Number immediately prior thereto by a fraction, the numerator of which shall be the Warrant Exercise Price then in effect and the denominator of which shall be the sum of (i) Warrant Exercise Price, calculated as if the initial Warrant Exercise Price was $1.00 per Share, plus (ii) the per share consideration received or to be received by Company in such Dilutive Issuance; *provided* that the Warrant Shares issued upon any prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(a)** as if there had been no prior exercise of this Warrant. If Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the fair market value per share and the consideration received or receivable by or payable to Company for purposes of this **Section 2.5**, the fair value of such property shall be determined reasonably and in good faith by the Company Board. As used herein, "Company's Next Financing" means the closing of a Subsequent Issuance yielding gross cash proceeds in an aggregate amount of at least $2,000,000.

(b) In the event that Company at any time issues, sells or grants any Common Stock Equivalents in a Dilutive Issuance (other than an Exempt Issuance), then, for purposes of this **Section 2.5**, Company shall be deemed to have issued at that time, pursuant to **Section 2.5(a)**, a number of shares of Common Stock equal to the maximum number of shares of Common Stock that are or shall become issuable upon the exercise of the purchase, conversion or exchange rights associated with such Common Stock Equivalents for consideration per share equal to the sum of (i) the aggregate consideration per share received by Company in connection with the issuance, sale or grant of such Common Stock Equivalents, plus (ii) the minimum amount of consideration per share receivable by Company in connection with the exercise of such Common Stock Equivalents. If, at any time after any adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)** as the result of any issuance, sale or grant of any Common Stock Equivalents, any of such Common Stock Equivalents or the rights of purchase, conversion or exchange associated therewith shall expire, the Warrant Number then in effect shall be decreased to the Warrant Number that would have been in effect if such expiring Common Stock Equivalents or rights of purchase, conversion or exchange had never been issued. Similarly, if, at any time after any such adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)**, there is a change in (x) the consideration received or to be received by Company in connection with the issuance or exercise of such Common Stock Equivalents, or (y) the conversion ratio applicable to such Common Stock Equivalents so that a different number shares of Common Stock shall be issuable upon the conversion or exchange thereof, the Warrant Number then in effect shall be readjusted to the Warrant Number that would have been in effect had such changes taken place at the time that such Common Stock Equivalents were initially issued, granted or sold. In no event shall any readjustment under this **Section 2.5(b)** affect the validity of any Warrant Shares issued upon any exercise of this Warrant prior to such readjustment; *provided* that the Warrant Shares issued upon any such prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(b)** as if there had been no such prior exercise of this Warrant. To the extent that an adjustment to the Warrant Number is made pursuant to **Section 2.5(a)**, upon the issuance of Common Stock Equivalents, no further adjustment shall be made pursuant to **Section 2.5(a)** upon the issuance of Common Stock upon exercise or conversion of such Common Stock Equivalents.

(c) To the extent that any Equity-Based Payments are made by Company or any Subsidiary, the Holder of this Warrant shall then be entitled to, and Company shall pay to the Holder of this Warrant in cash, simultaneously with and as a condition to making such Equity-Based Payments, an amount equal to Holder's pro rata share of the sum of (i) the amount of such Equity-Based Payments and (ii) the payments made to the Holder of this Warrant under this paragraph with respect to such Equity-Based Payments. Holder's pro rata share, for purposes of this **Section 2.5(c)**, is the ratio of the number of shares of Common Stock, Conversion Shares and Warrant Shares owned by Holder immediately prior to the Equity-Based Payment to the total number of shares of Common Stock outstanding, without giving effect to Common Stock Equivalents, immediately prior to the Equity-Based Payment.

2.6 Adjustment of Warrant Exercise Price. Upon any adjustment of the Warrant Number as provided in **Sections 2.1** or **2.5**, the Warrant Exercise Price shall be adjusted to be equal to the product of (i) the Warrant Exercise Price in effect immediately prior to such adjustment multiplied by (ii) the quotient of the Warrant Number in effect immediately prior to such adjustment divided by the Warrant Number in effect immediately after such adjustment.

2.7 Determination of Adjustments.

(a) Upon any event that shall require an adjustment pursuant to this **Section 2**, Company shall promptly calculate such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth, in reasonable detail, such adjustment, the method of calculation thereof and the facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock then outstanding on a Fully Diluted Basis and (ii) the Warrant Number, both as in effect immediately prior to such adjustment and as adjusted on account thereof. Company shall promptly mail a copy of each such certificate to the Holder. In the event that the Holder objects to the computation of such adjustment prepared by Company within 30 Business Days after receipt thereof, Company shall promptly cause a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to the Holder to calculate such adjustment and mail a copy of such computation to the Holder, and the computation of such accountants shall be conclusive. Company shall keep at its principal office copies of all such certificates and cause the same to be available for inspection at such office during normal business hours by the Holder.

(b) For purposes of this **Section 2**, the consideration received or receivable by Company in connection with the issuance, sale, grant or exercise of additional shares of Common Stock or Common Stock Equivalents, irrespective of the accounting treatment of such consideration, shall be valued as follows:

(i) Cash Payment. In the case of cash, the amount received by Company for such issuance, sale, grant or exercise.

(ii) Securities or Other Property. In the case of securities or other property, the fair market value thereof as of the date immediately preceding such issuance, sale, grant or exercise as determined in good faith by the Company Board.

(iii) Allocation Related to Common Stock. In the event shares of Common Stock are issued or sold together with other securities or other assets of Company for a consideration that covers both, the consideration received (calculated as provided in (i) and (ii) above) shall be allocable to such shares of Common Stock as determined in good faith by the Company Board.

(iv) Allocation Related to Common Stock Equivalents. In case any Common Stock Equivalents shall be issued or sold together with other securities or other assets of Company, together constituting one integral transaction in which no specific consideration is allocated to the Common Stock Equivalents, the consideration allocable to such Common Stock Equivalents shall be determined in good faith by the Company Board.

(v) Merger or Consolidation. In case any shares of Common Stock or Common Stock Equivalents shall be issued or granted in connection with any merger or combination in which Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the assets and business of the nonsurviving corporation attributable to such Common Stock or Common Stock Equivalents, as determined in good faith by the Company Board.

(c) The following additional provisions shall be applicable to the adjustments provided for pursuant to this **Section 2**:

(i) When Adjustments to be Made. The adjustments required by this **Section 2** shall be made whenever and as often as any specified event requiring such an adjustment shall occur and shall be effective (A) in the case of any dividend or distribution of Common Stock to the holders of Common Stock, immediately after the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution, and (B) in the case of any other specified event, at the close of business on the date of such specified event.

(ii) Record Date. In case Company shall take a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or other securities or (B) to subscribe for or purchase Common Stock or other securities, then all references in this **Section 2** to the date of the issuance or sale of such shares of Common Stock or other securities shall be deemed to be references to such record date; *provided*, *however*, that in the event Company legally abandons such action before its occurrence, then no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iii) Fractional Interests. In computing adjustments under this **Section 2**, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share; provided, however, that any resulting fractional Share interests shall be settled upon exercise or conversion of this Warrant in accordance with **Section 1.6**.

(iv) Maximum Warrant Exercise Price. At no time shall the Warrant Exercise Price exceed the amount set forth in the introductory paragraph of this Warrant except as the proper result of an adjustment pursuant to this **Section 2**.

(v) Certain Limitations. Notwithstanding anything herein to the contrary, Company agrees not to enter into any transaction that, by reason of any adjustment hereunder, would cause the Warrant Exercise Price to be less than the par value per share of its Common Stock.

(vi) Independent Application. Except as otherwise provided herein, all sections and subsections of this **Section 2** are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one section or subsection, all applicable sections and subsections shall be given independent effect.

2.8 Breach of Representation and Warranty.

(a) Without limitation of all other remedies available to the Holder in this Warrant or otherwise, in the event that any representation and warranty set forth in Section 3.6 of the Investment Agreement was not true when made, Company shall issue to the Holder, at no cost to the Holder, an additional amount of Warrants such that, if such issuance of additional Warrants were made on the Closing Date, the representation and warranty in the last sentence of Section 3.6(b) of the Investment Agreement would have been true and accurate in all respects when made.

(b) Any additional Warrants issued to the Holder pursuant to this **Section 2.8** shall be treated as if they were issued on the Closing Date and shall reflect any dividends or other distributions that would have been accrued or have been payable with respect to, and the application of any antidilution, ratable treatment or similar provisions (as set forth herein, in applicable law or otherwise) that would have been applicable to, such Warrants or underlying Warrant Shares had such additional Warrants been issued on the Closing Date.

(c) In connection with the issuance of any additional Warrants under this **Section 2.8**, Company shall reserve a sufficient number of shares of Common Stock for issuance to the Holder upon exercise of such additional Warrants.

3. CERTAIN AGREEMENTS**.** Company hereby covenants and agrees as follows:

3.1 Shares to be Fully Paid**.** All Warrant Shares shall, upon issuance in accordance with the terms of this Warrant, be duly and validly issued, fully paid and non-assessable and not subject to the preemptive or other similar rights of the stockholders of Company.

3.2 Reservation of Shares**.** Until the Expiration Date, Company at all times shall have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant in full.

3.3 Successors and Assigns**.** This Warrant shall be binding upon any entity succeeding to Company by merger, consolidation, or acquisition of all or substantially all Company's assets or all or substantially all of Company's outstanding capital stock or otherwise.

3.4 Issue Tax**.** The issuance of certificates for Warrant Shares upon the exercise or conversion of this Warrant shall be made without charge to Holder or such Warrant Shares for any issuance tax or other costs in respect thereof, *provided* that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than Holder.

3.5 No Rights or Liabilities as a Stockholder. This Warrant shall not entitle Holder to any voting rights or other rights as a stockholder of Company. No provision of this Warrant, in the absence of affirmative action by Holder to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the Warrant Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by creditors of Company.

4. TRANSFER AND REPLACEMENT OF WARRANT**.**

4.1 Restriction on Transfer. Subject to this **Section 4.1**, this Warrant and the rights granted to Holder are transferable and assignable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in substantially the form attached as Appendix 2, at the office or agency of Company referred to in **Section 4.4**. Nothing in this Warrant shall prohibit Holder from assigning, delegating or transferring this Warrant and Holder's rights and obligations under this Warrant to an Affiliate of Holder. Otherwise, Holder may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Warrant or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Until due presentment for registration of transfer on the books of Company, Company may treat the registered holder hereof as the owner and Holder for all purposes, and Company shall not be affected by any notice to the contrary. Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein and any assignment of rights and obligations by Company shall be null and void as a matter of law.

4.2 Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, Company, at its expense, shall execute and deliver, in lieu thereof, a new Warrant of like tenor.

4.3 Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange or replacement, this Warrant shall be promptly canceled by Company. Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by Holder or transferees) and charges payable in connection with the preparation, execution, and delivery of a new Warrant issued to Holder or transferees, as applicable.

4.4 Register. Company shall maintain, at its principal executive offices (or such other office or agency of Company as it may designated by notice to Holder), a register for this Warrant, in which Company shall record the name and address of the Person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

5. REGISTRATION RIGHTS; MARKET STAND-OFF AGREEMENT.

(a) The shares of Common Stock issuable upon exercise or conversion of this Warrant shall be "Registrable Securities" under that certain Registration Rights Agreement, dated as of March 28, 2014, by and between Company and Holder.

(b) In the event of a Qualified IPO, Holder hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 5(b)** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Holder only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third-party beneficiaries of this **Section 5(b)** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 5(b)** or that are necessary to give further effect thereto.

6. MISCELLANEOUS.

6.1 Term. This Warrant is exercisable or convertible in whole or in part at any time and from time to time on or after the Third Anniversary Date and before or on the Expiration Date.

6.2 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

if to Company, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

if to Holder, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax:(781) 699-9756

Company or Holder may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

6.3 Waivers. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to Holder whether at law, in equity, or otherwise. No delay, forbearance, or neglect by Holder, whether in one or more instances, in the exercise of any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Warrant shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Warrant, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by Holder. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

6.4 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

6.5 Counterparts. This Warrant may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Warrant. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.6 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

6.7 Amendment. This Warrant may be amended, modified, or supplemented only pursuant to a written instrument making specific reference to this Warrant and signed by Company and Holder.

6.8 Severability. Whenever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Warrant.

6.9 Descriptive Headings; No Strict Construction. The descriptive headings of this Warrant are inserted for convenience only and do not constitute a substantive part of this Warrant. The parties to this Warrant have participated jointly in the negotiation and drafting of this Warrant. If an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Warrant. The parties agree that prior drafts of this Warrant shall be deemed not to provide any evidence as to the meaning of any provision hereof or the intention of the parties hereto with respect to this Warrant.

[*signature page follows*]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Common Stock Purchase Warrant by their duly authorized representatives as of the date first above written.

COMPANY:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

HOLDER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

APPENDIX 1

NOTICE OF EXERCISE

TO: APOLLO MEDICAL HOLDINGS, INC.

1. The undersigned hereby elects to purchase _____ Shares of the Common Stock of Apollo Medical Holdings, Inc. pursuant to the terms of the attached Common Stock Purchase Warrant (the "**Warrant**") issued to the undersigned (or the undersigned's predecessor or assignor), and shall tender payment of the exercise price in full in accordance with the terms of the Warrant.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Shares as is necessary, in accordance with the formula set forth in**Section 1.2** of the Warrant, to exercise the Warrant with respect to the maximum number of Shares purchasable pursuant to the cashless exercise procedure set forth in **Section 1.2** of the Warrant.

3. Please issue a certificate or certificates (or, if applicable, Book-Entry Shares) representing said Shares in the name of the undersigned or in such other name as is specified below:

The Shares shall be delivered by physical delivery of a certificate (or, if applicable, Book-Entry Shares) to:

[SIGNATURE OF HOLDER]

Name of Holder:
Signature of Authorized Signatory of Holder:
Name of Authorized Signatory:
Title of Authorized Signatory:
Date:

Date of exercise under **Section 1.1** of the Warrant or date of exercise of conversion right under **Section 1.2** of the Warrant is the date this Notice is deemed effectively given under **Section 6.2** of this Warrant.

APPENDIX 2

ASSIGNMENT FORM

(To Assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED,

(check first box OR fill in number of Shares in second box)

[___] all of the Warrant

OR

[_____] shares of the foregoing Warrant

and all rights evidenced thereby are hereby assigned to:

_____ whose address is _____
_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Exhibit 10.6 EXECUTION COPY

FORM OF COMMON STOCK PURCHASE WARRANT

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS PROVIDED HEREIN, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS PERMITTED UNDER RULE 144 OF THE ACT OR IS OTHERWISE EXEMPT FROM SUCH REGISTRATION.

APOLLO MEDICAL HOLDINGS, INC.

Common Stock Purchase Warrant

Warrant Shares: 1,000,000 Issue Date: March 28, 2014

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, NNA of Nevada, Inc., its successors and permitted assigns (together, "Holder") is entitled, at any time on or after March 28, 2017 (the "Third Anniversary Date"), and prior to 5:00 p.m., New York City time, on March 28, 2021 (the "Expiration Date"), to purchase from Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), up to the number of fully paid and non-assessable shares (the "Shares") of Common Stock, par value $0.001 per share, of Company (the "Common Stock") specified above (the "Warrant Shares") at an initial exercise price of $1.00 per Share (the "Warrant Exercise Price") or to convert this Warrant into Shares, in each case subject to the provisions and upon the terms and conditions set forth in this Warrant. This Warrant has been issued pursuant to an Investment Agreement, dated as of March 28, 2014, between Company and Holder (as it may be amended from time to time in accordance with its terms, the "Investment Agreement"). Capitalized terms used herein and not defined shall have the meanings given thereto in the Investment Agreement.

1. EXERCISE**.**

1.1 Method of Exercise. Holder may exercise this Warrant in whole or in part to purchase Shares for cash by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached asAppendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with**Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within five Business Days following the date on which the Notice of Exercise is delivered to Company). Unless Holder is exercising the conversion right provided for in **Section 1.2**, Holder shall, within three Trading Days following the date of exercise as aforesaid, also deliver to Company a certified or bank cashier's check, wire transfer of immediately available funds (to an account designated by Company), or other form of payment acceptable to Company, in the amount of the aggregate Warrant Exercise Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant to purchase Shares for cash in accordance with **Section 1.1**, Holder may, at its option, from time to time convert this Warrant, in whole or in part and without any obligation to pay the Warrant Exercise Price, into that number of Shares determined by dividing (x) the aggregate Fair Market Value of the Shares in respect of which this Warrant is being converted minus the aggregate Warrant Exercise Price of such Shares by (y) the Fair Market Value of one Share. The Fair Market Value of one Share shall be determined pursuant to **Section 1.3**, and this Warrant shall automatically be deemed to be converted as provided in **Section 1.5**. Holder may exercise such conversion right under this Warrant in whole or in part by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached as Appendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with **Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within two Business Days following the date on which the Notice of Exercise is delivered to Company). Any reference in this Warrant to the "exercise" of this Warrant or events to occur upon or in connection with the exercise of this Warrant, including without limitation, all provisions of **Section 2**, will apply equally and with the same equitable effect to any conversion of this Warrant even if reference is not specifically made to conversion of this Warrant.

1.3 Fair Market Value**.** For purposes of this Warrant, "Fair Market Value" shall mean, with respect to one Share for any date, the price determined by the first of the following clauses that applies: (a) the average of the daily volume weighted average trading price of the Common Stock for the five Trading Days immediately prior to such date on the Principal Trading Market, or (b) if the Common Stock is not so listed or quoted, as reasonably determined by the Company Board in good faith (provided, that in the event Holder's conversion right under **Section 1.2** is exercised or deemed exercised in connection with a Merger (as defined below) or Disposition of Assets (as defined below), the Fair Market Value shall be determined based upon the cash and fair market value of any securities and other consideration (as determined reasonably and in good faith by the Company Board) as would have been paid for or in respect of each Share issuable (as of immediately prior to the closing of such Merger or Disposition of Assets) upon exercise of this Warrant as if such Share had been issued and outstanding on and as of the closing of such Merger or Disposition of Assets).

1.4 Delivery of Certificate and New Warrant**.** Within three Trading Days after Holder exercises under **Section 1.1** or converts under **Section 1.2** this Warrant and, if applicable, Company receives payment of the aggregate Warrant Exercise Price, Company shall deliver to Holder certificates (or, if consistent with Company's practice for issuing Shares, non-certificated Shares represented by book-entry on the records of Company or Company's transfer agent (the "Book-Entry Shares")) for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new warrant of like tenor representing the Shares not so acquired. The Shares shall be deemed to have been issued, and Holder or any other Person designated by Holder to be named therein shall be deemed to have become a holder of record of such Shares for all purposes as of the date this Warrant shall have been exercised or converted. If Company fails to deliver a certificate or certificates (or, if applicable, Book-Entry Shares) for the Shares as provided herein, in addition to any other remedy available to Holder hereunder, at law or in equity, Holder shall have the right to rescind the exercise or conversion of this Warrant.

1.5 Automatic Conversion upon Expiration**.** So long as the Fair Market Value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with **Section 1.3** above is then greater than the Warrant Exercise Price then in effect and Holder shall not have notified Company in writing to the contrary prior to the Expiration Date, this Warrant shall, to the extent not previously exercised or converted, automatically be deemed to have been fully converted pursuant to **Section 1.2** above (even if not surrendered) as of immediately before any expiration, termination or cancellation of this Warrant, and Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion, or any consideration payable in respect of such Shares in connection with a Merger or Disposition of Assets, if applicable, to Holder.

1.6 Fractional Shares**.** No fractional Share shall be issuable upon exercise or conversion of this Warrant, and the number of Shares to be issues shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of this Warrant, Company shall eliminate such fractional share interest by paying Holder cash in the amount computed by multiplying the fraction al interest by the Fair Market Value (as determined pursuant to **Section 1.3**) of a full Share.

2. ANTI-DILUTION PROVISIONS; ADJUSTMENT IN WARRANT NUMBER AND WARRANT EXERCISE PRICE. The Warrant Exercise Price and Warrant Number shall be subject to adjustment from time to time as provided in this **Section 2**.

2.1 Dividends, Subdivisions and Combinations. If Company, at any time and from time to time, (i) takes a record of the holders of its Common Stock for the purpose of entitling them to receive, or otherwise declares or distributes, a dividend payable in, or other distribution of, additional shares of Common Stock or Common Stock Equivalents, (ii) splits or subdivides its outstanding shares of Common Stock into a greater number of shares of Common Stock or Common Stock Equivalents, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares of Common Stock or Common Stock Equivalents, then, in each such case, the Warrant Number shall be adjusted to equal the product of the Warrant Number in effect immediately prior to the adjustment multiplied by a fraction the numerator of which is equal to the number of shares of Common Stock outstanding immediately after such adjustment and the denominator of which is equal to the number of shares of Common Stock outstanding immediately prior to the adjustment, and the Warrant Exercise Price shall be adjusted pursuant to **Section 2.6**.

2.2 Distributions Payable Other than in Common Stock or Common Stock Equivalents If Company declares or pays any dividend or makes any distribution with respect to shares of its Common Stock other than any dividend or distribution paid or payable in shares of Common Stock or Common Stock Equivalents or if Company or any Affiliate thereof makes any redemptions, purchases or other acquisitions of Common Stock or Common Stock Equivalents, the Holder shall, upon exercise of this Warrant, promptly receive the cash, stock, securities or property to which the Holder would have been entitled by way of (i) dividends and distributions if the Holder had exercised this Warrant immediately prior to the declaration of such dividend or the making of such distribution so as to be entitled thereto and (ii) redemption, purchase or other acquisition if the Holder had exercised this Warrant in full immediately prior to such redemption, purchase or other acquisition and such redemption, purchase or other acquisition had been consummated on a *pro rata* basis among all holders of Common Stock (after giving effect to such exercise of the Warrant).

2.3 Reorganization, Reclassification, Merger, Consolidation, or Disposition of Assets. If Company (a) reorganizes its capital, (b) reclassifies its Capital Stock, (c) merges or consolidates with or into another Person (where Company is not the surviving Person or where there is a change in, or distribution with respect to, the outstanding Capital Stock of Company) (a "Merger"), or (d) sells, transfers or otherwise disposes of all or substantially all of the assets of Company and its Subsidiaries, on a consolidated basis, to another Person (a "Disposition of Assets") and, pursuant to the terms of such reorganization, reclassification, Merger, or Disposition of Assets, cash, securities or property are to be received by or distributed to the holders of Common Stock of Company who are holders immediately prior to such transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the cash, securities or property receivable by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In the case of any such reorganization, reclassification, Merger or Disposition of Assets, any successor or acquiring Person (other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant and the Shareholders Agreement to be performed and observed by Company and all the obligations and liabilities of Company hereunder and thereunder and, upon the Holder tendering this Warrant for cancellation, shall issue a replacement Warrant containing substantially the same provisions as this Warrant, but containing appropriate changes due to such event (such as changes to the name of the issuing company and equitable changes to this Warrant due to the occurrence of such event). The foregoing provisions of this **Section 2.3** shall similarly apply to successive reorganizations, reclassifications, Mergers or Dispositions of Assets.

2.4 Dissolution, Liquidation and Winding Up. In case Company, at any time prior to the exercise in full of this Warrant, dissolves, liquidates or winds up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the Common Stock that such Holder would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to such Holder upon any such dissolution, liquidation or winding up with respect to such shares of Common Stock had such Holder been the holder of record of such shares of Common Stock receivable upon the exercise of this Warrant on the record date for the determination of those Persons entitled to receive any such liquidating distribution, *provided*, *however*, that the Holder shall not in any case be required to assume or be obligated in respect of any liabilities of Company.

2.5 Dilutive Issuances.

(a) If Company shall at any time after the Closing Date and until and including the earlier of (i) the second anniversary of the Closing Date and (ii) Company's Next Financing issue or sell any shares of Common Stock or Common Stock Equivalents in a Subsequent Issuance (other than an Exempt Issuance) for a consideration per share less than $0.90 (subject to adjustment pursuant to this **Section 2**)(a "Dilutive Issuance"), then the Warrant Number shall be adjusted by multiplying the Warrant Number immediately prior thereto by a fraction, the numerator of which shall be the Warrant Exercise Price then in effect and the denominator of which shall be the per share consideration received or to be received by Company in such Dilutive Issuance; *provided* that the Warrant Shares issued upon any prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(a)** as if there had been no prior exercise of this Warrant. If Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the fair market value per share and the consideration received or receivable by or payable to Company for purposes of this **Section 2.5**, the fair value of such property shall be determined reasonably and in good faith by the Company Board. As used herein, "Company's Next Financing" means the closing of a Subsequent Issuance yielding gross cash proceeds in an aggregate amount of at least $2,000,000.

(b) In the event that Company at any time issues, sells or grants any Common Stock Equivalents in a Dilutive Issuance (other than an Exempt Issuance), then, for purposes of this **Section 2.5**, Company shall be deemed to have issued at that time, pursuant to **Section 2.5(a)**, a number of shares of Common Stock equal to the maximum number of shares of Common Stock that are or shall become issuable upon the exercise of the purchase, conversion or exchange rights associated with such Common Stock Equivalents for consideration per share equal to the sum of (i) the aggregate consideration per share received by Company in connection with the issuance, sale or grant of such Common Stock Equivalents, plus (ii) the minimum amount of consideration per share receivable by Company in connection with the exercise of such Common Stock Equivalents. If, at any time after any adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)** as the result of any issuance, sale or grant of any Common Stock Equivalents, any of such Common Stock Equivalents or the rights of purchase, conversion or exchange associated therewith shall expire, the Warrant Number then in effect shall be decreased to the Warrant Number that would have been in effect if such expiring Common Stock Equivalents or rights of purchase, conversion or exchange had never been issued. Similarly, if, at any time after any such adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)**, there is a change in (x) the consideration received or to be received by Company in connection with the issuance or exercise of such Common Stock Equivalents, or (y) the conversion ratio applicable to such Common Stock Equivalents so that a different number shares of Common Stock shall be issuable upon the conversion or exchange thereof, the Warrant Number then in effect shall be readjusted to the Warrant Number that would have been in effect had such changes taken place at the time that such Common Stock Equivalents were initially issued, granted or sold. In no event shall any readjustment under this **Section 2.5(b)** affect the validity of any Warrant Shares issued upon any exercise of this Warrant prior to such readjustment; *provided* that the Warrant Shares issued upon any such prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(b)** as if there had been no such prior exercise of this Warrant. To the extent that an adjustment to the Warrant Number is made pursuant to **Section 2.5(a)**, upon the issuance of Common Stock Equivalents, no further adjustment shall be made pursuant to **Section 2.5(a)** upon the issuance of Common Stock upon exercise or conversion of such Common Stock Equivalents.

(c) To the extent that any Equity-Based Payments are made by Company or any Subsidiary, the Holder of this Warrant shall then be entitled to, and Company shall pay to the Holder of this Warrant in cash, simultaneously with and as a condition to making such Equity-Based Payments, an amount equal to Holder's pro rata share of the sum of (i) the amount of such Equity-Based Payments and (ii) the payments made to the Holder of this Warrant under this paragraph with respect to such Equity-Based Payments. Holder's pro rata share, for purposes of this **Section 2.5(c)**, is the ratio of the number of shares of Common Stock, Conversion Shares and Warrant Shares owned by Holder immediately prior to the Equity-Based Payment to the total number of shares of Common Stock outstanding, without giving effect to Common Stock Equivalents, immediately prior to the Equity-Based Payment.

2.6 Adjustment of Warrant Exercise Price. Upon any adjustment of the Warrant Number as provided in **Sections 2.1** or **2.5**, the Warrant Exercise Price shall be adjusted to be equal to the product of (i) the Warrant Exercise Price in effect immediately prior to such adjustment multiplied by (ii) the quotient of the Warrant Number in effect immediately prior to such adjustment divided by the Warrant Number in effect immediately after such adjustment.

2.7 Determination of Adjustments.

(a) Upon any event that shall require an adjustment pursuant to this **Section 2**, Company shall promptly calculate such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth, in reasonable detail, such adjustment, the method of calculation thereof and the facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock then outstanding on a Fully Diluted Basis and (ii) the Warrant Number, both as in effect immediately prior to such adjustment and as adjusted on account thereof. Company shall promptly mail a copy of each such certificate to the Holder. In the event that the Holder objects to the computation of such adjustment prepared by Company within 30 Business Days after receipt thereof, Company shall promptly cause a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to the Holder to calculate such adjustment and mail a copy of such computation to the Holder, and the computation of such accountants shall be conclusive. Company shall keep at its principal office copies of all such certificates and cause the same to be available for inspection at such office during normal business hours by the Holder.

(b) For purposes of this **Section 2**, the consideration received or receivable by Company in connection with the issuance, sale, grant or exercise of additional shares of Common Stock or Common Stock Equivalents, irrespective of the accounting treatment of such consideration, shall be valued as follows:

(i) Cash Payment. In the case of cash, the amount received by Company for such issuance, sale, grant or exercise.

(ii) Securities or Other Property. In the case of securities or other property, the fair market value thereof as of the date immediately preceding such issuance, sale, grant or exercise as determined in good faith by the Company Board.

(iii) Allocation Related to Common Stock. In the event shares of Common Stock are issued or sold together with other securities or other assets of Company for a consideration that covers both, the consideration received (calculated as provided in (i) and (ii) above) shall be allocable to such shares of Common Stock as determined in good faith by the Company Board.

(iv) Allocation Related to Common Stock Equivalents. In case any Common Stock Equivalents shall be issued or sold together with other securities or other assets of Company, together constituting one integral transaction in which no specific consideration is allocated to the Common Stock Equivalents, the consideration allocable to such Common Stock Equivalents shall be determined in good faith by the Company Board.

(v) Merger or Consolidation. In case any shares of Common Stock or Common Stock Equivalents shall be issued or granted in connection with any merger or combination in which Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the assets and business of the nonsurviving corporation attributable to such Common Stock or Common Stock Equivalents, as determined in good faith by the Company Board.

(c) The following additional provisions shall be applicable to the adjustments provided for pursuant to this **Section 2**:

(i) When Adjustments to be Made. The adjustments required by this **Section 2** shall be made whenever and as often as any specified event requiring such an adjustment shall occur and shall be effective (A) in the case of any dividend or distribution of Common Stock to the holders of Common Stock, immediately after the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution, and (B) in the case of any other specified event, at the close of business on the date of such specified event.

(ii) Record Date. In case Company shall take a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or other securities or (B) to subscribe for or purchase Common Stock or other securities, then all references in this **Section 2** to the date of the issuance or sale of such shares of Common Stock or other securities shall be deemed to be references to such record date; *provided*, *however*, that in the event Company legally abandons such action before its occurrence, then no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iii) Fractional Interests. In computing adjustments under this **Section 2**, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share; provided, however, that any resulting fractional Share interests shall be settled upon exercise or conversion of this Warrant in accordance with **Section 1.6**.

(iv) Maximum Warrant Exercise Price. At no time shall the Warrant Exercise Price exceed the amount set forth in the introductory paragraph of this Warrant except as the proper result of an adjustment pursuant to this **Section 2**.

(v) Certain Limitations. Notwithstanding anything herein to the contrary, Company agrees not to enter into any transaction that, by reason of any adjustment hereunder, would cause the Warrant Exercise Price to be less than the par value per share of its Common Stock.

(vi) Independent Application. Except as otherwise provided herein, all sections and subsections of this **Section 2** are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one section or subsection, all applicable sections and subsections shall be given independent effect.

2.8 Breach of Representation and Warranty.

(a) Without limitation of all other remedies available to the Holder in this Warrant or otherwise, in the event that any representation and warranty set forth in Section 3.6 of the Investment Agreement was not true when made, Company shall issue to the Holder, at no cost to the Holder, an additional amount of Warrants such that, if such issuance of additional Warrants were made on the Closing Date, the representation and warranty in the last sentence of Section 3.6(b) of the Investment Agreement would have been true and accurate in all respects when made.

(b) Any additional Warrants issued to the Holder pursuant to this **Section 2.8** shall be treated as if they were issued on the Closing Date and shall reflect any dividends or other distributions that would have been accrued or have been payable with respect to, and the application of any antidilution, ratable treatment or similar provisions (as set forth herein, in applicable law or otherwise) that would have been applicable to, such Warrants or underlying Warrant Shares had such additional Warrants been issued on the Closing Date.

(c) In connection with the issuance of any additional Warrants under this **Section 2.8**, Company shall reserve a sufficient number of shares of Common Stock for issuance to the Holder upon exercise of such additional Warrants.

3. CERTAIN AGREEMENTS**.** Company hereby covenants and agrees as follows:

3.1 Shares to be Fully Paid**.** All Warrant Shares shall, upon issuance in accordance with the terms of this Warrant, be duly and validly issued, fully paid and non-assessable and not subject to the preemptive or other similar rights of the stockholders of Company.

3.2 Reservation of Shares**.** Until the Expiration Date, Company at all times shall have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant in full.

3.3 Successors and Assigns**.** This Warrant shall be binding upon any entity succeeding to Company by merger, consolidation, or acquisition of all or substantially all Company's assets or all or substantially all of Company's outstanding capital stock or otherwise.

3.4 Issue Tax**.** The issuance of certificates for Warrant Shares upon the exercise or conversion of this Warrant shall be made without charge to Holder or such Warrant Shares for any issuance tax or other costs in respect thereof, *provided* that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than Holder.

3.5 No Rights or Liabilities as a Stockholder. This Warrant shall not entitle Holder to any voting rights or other rights as a stockholder of Company. No provision of this Warrant, in the absence of affirmative action by Holder to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the Warrant Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by creditors of Company.

4. TRANSFER AND REPLACEMENT OF WARRANT**.**

4.1 Restriction on Transfer. Subject to this **Section 4.1**, this Warrant and the rights granted to Holder are transferable and assignable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in substantially the form attached as Appendix 2, at the office or agency of Company referred to in **Section 4.4**. Nothing in this Warrant shall prohibit Holder from assigning, delegating or transferring this Warrant and Holder's rights and obligations under this Warrant to an Affiliate of Holder. Otherwise, Holder may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Warrant or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Until due presentment for registration of transfer on the books of Company, Company may treat the registered holder hereof as the owner and Holder for all purposes, and Company shall not be affected by any notice to the contrary. Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein and any assignment of rights and obligations by Company shall be null and void as a matter of law.

4.2 Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, Company, at its expense, shall execute and deliver, in lieu thereof, a new Warrant of like tenor.

4.3 Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange or replacement, this Warrant shall be promptly canceled by Company. Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by Holder or transferees) and charges payable in connection with the preparation, execution, and delivery of a new Warrant issued to Holder or transferees, as applicable.

4.4 Register. Company shall maintain, at its principal executive offices (or such other office or agency of Company as it may designated by notice to Holder), a register for this Warrant, in which Company shall record the name and address of the Person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

5. REGISTRATION RIGHTS; MARKET STAND-OFF AGREEMENT.

(a) The shares of Common Stock issuable upon exercise or conversion of this Warrant shall be "Registrable Securities" under that certain Registration Rights Agreement, dated as of March 28, 2014, by and between Company and Holder.

(b) In the event of a Qualified IPO, Holder hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 5(b)** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Holder only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third-party beneficiaries of this **Section 5(b)** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 5(b)** or that are necessary to give further effect thereto.

6. MISCELLANEOUS.

6.1 Term. This Warrant is exercisable or convertible in whole or in part at any time and from time to time on or after the Third Anniversary Date and before or on the Expiration Date.

6.2 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

if to Company, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

if to Holder, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax:(781) 699-9756

Company or Holder may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

6.3 Waivers. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to Holder whether at law, in equity, or otherwise. No delay, forbearance, or neglect by Holder, whether in one or more instances, in the exercise of any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Warrant shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Warrant, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by Holder. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

6.4 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

6.5 Counterparts. This Warrant may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Warrant. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.6 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

6.7 Amendment. This Warrant may be amended, modified, or supplemented only pursuant to a written instrument making specific reference to this Warrant and signed by Company and Holder.

6.8 Severability. Whenever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Warrant.

6.9 Descriptive Headings; No Strict Construction. The descriptive headings of this Warrant are inserted for convenience only and do not constitute a substantive part of this Warrant. The parties to this Warrant have participated jointly in the negotiation and drafting of this Warrant. If an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Warrant. The parties agree that prior drafts of this Warrant shall be deemed not to provide any evidence as to the meaning of any provision hereof or the intention of the parties hereto with respect to this Warrant.

[*signature page follows*]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Common Stock Purchase Warrant by their duly authorized representatives as of the date first above written.

COMPANY:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

HOLDER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

APPENDIX 1

NOTICE OF EXERCISE

TO: APOLLO MEDICAL HOLDINGS, INC.

1. The undersigned hereby elects to purchase _____ Shares of the Common Stock of Apollo Medical Holdings, Inc. pursuant to the terms of the attached Common Stock Purchase Warrant (the "**Warrant**") issued to the undersigned (or the undersigned's predecessor or assignor), and shall tender payment of the exercise price in full in accordance with the terms of the Warrant.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Shares as is necessary, in accordance with the formula set forth in**Section 1.2** of the Warrant, to exercise the Warrant with respect to the maximum number of Shares purchasable pursuant to the cashless exercise procedure set forth in **Section 1.2** of the Warrant.

3. Please issue a certificate or certificates (or, if applicable, Book-Entry Shares) representing said Shares in the name of the undersigned or in such other name as is specified below:

The Shares shall be delivered by physical delivery of a certificate (or, if applicable, Book-Entry Shares) to:

[SIGNATURE OF HOLDER]

Name of Holder:
Signature of Authorized Signatory of Holder:
Name of Authorized Signatory:
Title of Authorized Signatory:
Date:

Date of exercise under **Section 1.1** of the Warrant or date of exercise of conversion right under **Section 1.2** of the Warrant is the date this Notice is deemed effectively given under **Section 6.2** of this Warrant.

APPENDIX 2

ASSIGNMENT FORM

(To Assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED,

(check first box OR fill in number of Shares in second box)

[___] all of the Warrant

OR

[_____] shares of the foregoing Warrant

and all rights evidenced thereby are hereby assigned to:

_____ whose address is _____
_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Exhibit 10.7 EXECUTION COPY

FORM OF COMMON STOCK PURCHASE WARRANT

THIS WARRANT AND THE SHARES ISSUABLE HEREUNDER HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND, EXCEPT AS PROVIDED HEREIN, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, OR SUCH OFFER, SALE, TRANSFER, PLEDGE OR HYPOTHECATION IS PERMITTED UNDER RULE 144 OF THE ACT OR IS OTHERWISE EXEMPT FROM SUCH REGISTRATION.

APOLLO MEDICAL HOLDINGS, INC.

Common Stock Purchase Warrant

Warrant Shares: 1,000,000 Issue Date: March 28, 2014

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, NNA of Nevada, Inc., its successors and permitted assigns (together, "Holder") is entitled, at any time on or after March 28, 2017 (the "Third Anniversary Date"), and prior to 5:00 p.m., New York City time, on March 28, 2021 (the "Expiration Date"), to purchase from Apollo Medical Holdings, Inc., a Delaware corporation ("Company"), up to the number of fully paid and non-assessable shares (the "Shares") of Common Stock, par value $0.001 per share, of Company (the "Common Stock") specified above (the "Warrant Shares") at an initial exercise price of $1.00 per Share (the "Warrant Exercise Price") or to convert this Warrant into Shares, in each case subject to the provisions and upon the terms and conditions set forth in this Warrant. This Warrant has been issued pursuant to an Investment Agreement, dated as of March 28, 2014, between Company and Holder (as it may be amended from time to time in accordance with its terms, the "Investment Agreement"). Subject to Section 2, to the extent this Warrant has been issued in connection with Holder's purchase of the Convertible Note, Holder may exercise this Warrant only upon Holder making the term loan to Company pursuant to Section 2.1 of the Convertible Note. Capitalized terms used herein and not defined shall have the meanings given thereto in the Investment Agreement.

1. EXERCISE**.**

1.1 Method of Exercise. Holder may exercise this Warrant in whole or in part to purchase Shares for cash by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached as Appendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with **Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within five Business Days following the date on which the Notice of Exercise is delivered to Company). Unless Holder is exercising the conversion right provided for in **Section 1.2**, Holder shall, within three Trading Days following the date of exercise as aforesaid, also deliver to Company a certified or bank cashier's check, wire transfer of immediately available funds (to an account designated by Company), or other form of payment acceptable to Company, in the amount of the aggregate Warrant Exercise Price for the Shares being purchased.

1.2 Conversion Right. In lieu of exercising this Warrant to purchase Shares for cash in accordance with **Section 1.1**, Holder may, at its option, from time to time convert this Warrant, in whole or in part and without any obligation to pay the Warrant Exercise Price, into that number of Shares determined by dividing (x) the aggregate Fair Market Value of the Shares in respect of which this Warrant is being converted minus the aggregate Warrant Exercise Price of such Shares by (y) the Fair Market Value of one Share. The Fair Market Value of one Share shall be determined pursuant to **Section 1.3**, and this Warrant shall automatically be deemed to be converted as provided in **Section 1.5**. Holder may exercise such conversion right under this Warrant in whole or in part by (a) delivering to Company, in accordance with **Section 6.2**, a duly executed copy of a Notice of Exercise in substantially the form attached as Appendix 1 (or by delivery of an original or copy of such Notice of Exercise by any other method permitted for providing notices under **Section 6.2**) and (b) causing this Warrant to be delivered to Company, in accordance with **Section 6.2**, as soon as reasonably practicable on or following the date on which Notice of Exercise is delivered to Company (but no later than within two Business Days following the date on which the Notice of Exercise is delivered to Company). Any reference in this Warrant to the "exercise" of this Warrant or events to occur upon or in connection with the exercise of this Warrant, including without limitation, all provisions of **Section 2**, will apply equally and with the same equitable effect to any conversion of this Warrant even if reference is not specifically made to conversion of this Warrant.

1.3 Fair Market Value**.** For purposes of this Warrant, "Fair Market Value" shall mean, with respect to one Share for any date, the price determined by the first of the following clauses that applies: (a) the average of the daily volume weighted average trading price of the Common Stock for the five Trading Days immediately prior to such date on the Principal Trading Market, or (b) if the Common Stock is not so listed or quoted, as reasonably determined by the Company Board in good faith (provided, that in the event Holder's conversion right under **Section 1.2** is exercised or deemed exercised in connection with a Merger (as defined below) or Disposition of Assets (as defined below), the Fair Market Value shall be determined based upon the cash and fair market value of any securities and other consideration (as determined reasonably and in good faith by the Company Board) as would have been paid for or in respect of each Share issuable (as of immediately prior to the closing of such Merger or Disposition of Assets) upon exercise of this Warrant as if such Share had been issued and outstanding on and as of the closing of such Merger or Disposition of Assets).

1.4 Delivery of Certificate and New Warrant**.** Within three Trading Days after Holder exercises under **Section 1.1** or converts under **Section 1.2** this Warrant and, if applicable, Company receives payment of the aggregate Warrant Exercise Price, Company shall deliver to Holder certificates (or, if consistent with Company's practice for issuing Shares, non-certificated Shares represented by book-entry on the records of Company or Company's transfer agent (the "Book-Entry Shares")) for the Shares acquired and, if this Warrant has not been fully exercised or converted and has not expired, a new warrant of like tenor representing the Shares not so acquired. The Shares shall be deemed to have been issued, and Holder or any other Person designated by Holder to be named therein shall be deemed to have become a holder of record of such Shares for all purposes as of the date this Warrant shall have been exercised or converted. If Company fails to deliver a certificate or certificates (or, if applicable, Book-Entry Shares) for the Shares as provided herein, in addition to any other remedy available to Holder hereunder, at law or in equity, Holder shall have the right to rescind the exercise or conversion of this Warrant.

1.5 Automatic Conversion upon Expiration**.** So long as the Fair Market Value of one Share (or other security issuable upon the exercise hereof) as determined in accordance with **Section 1.3** above is then greater than the Warrant Exercise Price then in effect and Holder shall not have notified Company in writing to the contrary prior to the Expiration Date, this Warrant shall, to the extent not previously exercised or converted, automatically be deemed to have been fully converted pursuant to **Section 1.2** above (even if not surrendered) as of immediately before any expiration, termination or cancellation of this Warrant, and Company shall promptly deliver a certificate representing the Shares (or such other securities) issued upon such conversion, or any consideration payable in respect of such Shares in connection with a Merger or Disposition of Assets, if applicable, to Holder.

1.6 Fractional Shares**.** No fractional Share shall be issuable upon exercise or conversion of this Warrant, and the number of Shares to be issues shall be rounded down to the nearest whole Share. If a fractional share interest arises upon any exercise or conversion of this Warrant, Company shall eliminate such fractional share interest by paying Holder cash in the amount computed by multiplying the fraction al interest by the Fair Market Value (as determined pursuant to **Section 1.3**) of a full Share.

2. ANTI-DILUTION PROVISIONS; ADJUSTMENT IN WARRANT NUMBER AND WARRANT EXERCISE PRICE. The Warrant Exercise Price and Warrant Number shall be subject to adjustment from time to time as provided in this **Section 2**.

2.1 Dividends, Subdivisions and Combinations. If Company, at any time and from time to time, (i) takes a record of the holders of its Common Stock for the purpose of entitling them to receive, or otherwise declares or distributes, a dividend payable in, or other distribution of, additional shares of Common Stock or Common Stock Equivalents, (ii) splits or subdivides its outstanding shares of Common Stock into a greater number of shares of Common Stock or Common Stock Equivalents, or (iii) combines its outstanding shares of Common Stock into a smaller number of shares of Common Stock or Common Stock Equivalents, then, in each such case, the Warrant Number shall be adjusted to equal the product of the Warrant Number in effect immediately prior to the adjustment multiplied by a fraction the numerator of which is equal to the number of shares of Common Stock outstanding immediately after such adjustment and the denominator of which is equal to the number of shares of Common Stock outstanding immediately prior to the adjustment, and the Warrant Exercise Price shall be adjusted pursuant to **Section 2.6**.

2.2 Distributions Payable Other than in Common Stock or Common Stock Equivalents If Company declares or pays any dividend or makes any distribution with respect to shares of its Common Stock other than any dividend or distribution paid or payable in shares of Common Stock or Common Stock Equivalents or if Company or any Affiliate thereof makes any redemptions, purchases or other acquisitions of Common Stock or Common Stock Equivalents, the Holder shall, upon exercise of this Warrant, promptly receive the cash, stock, securities or property to which the Holder would have been entitled by way of (i) dividends and distributions if the Holder had exercised this Warrant immediately prior to the declaration of such dividend or the making of such distribution so as to be entitled thereto and (ii) redemption, purchase or other acquisition if the Holder had exercised this Warrant in full immediately prior to such redemption, purchase or other acquisition and such redemption, purchase or other acquisition had been consummated on a *pro rata* basis among all holders of Common Stock (after giving effect to such exercise of the Warrant).

2.3 Reorganization, Reclassification, Merger, Consolidation, or Disposition of Assets. If Company (a) reorganizes its capital, (b) reclassifies its Capital Stock, (c) merges or consolidates with or into another Person (where Company is not the surviving Person or where there is a change in, or distribution with respect to, the outstanding Capital Stock of Company) (a "Merger"), or (d) sells, transfers or otherwise disposes of all or substantially all of the assets of Company and its Subsidiaries, on a consolidated basis, to another Person (a "Disposition of Assets") and, pursuant to the terms of such reorganization, reclassification, Merger, or Disposition of Assets, cash, securities or property are to be received by or distributed to the holders of Common Stock of Company who are holders immediately prior to such transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the cash, securities or property receivable by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In the case of any such reorganization, reclassification, Merger or Disposition of Assets, any successor or acquiring Person (other than Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant and the Shareholders Agreement to be performed and observed by Company and all the obligations and liabilities of Company hereunder and thereunder and, upon the Holder tendering this Warrant for cancellation, shall issue a replacement Warrant containing substantially the same provisions as this Warrant, but containing appropriate changes due to such event (such as changes to the name of the issuing company and equitable changes to this Warrant due to the occurrence of such event). The foregoing provisions of this **Section 2.3** shall similarly apply to successive reorganizations, reclassifications, Mergers or Dispositions of Assets.

2.4 Dissolution, Liquidation and Winding Up. In case Company, at any time prior to the exercise in full of this Warrant, dissolves, liquidates or winds up its affairs, the Holder shall have the right to receive upon exercise of this Warrant, in lieu of the Common Stock that such Holder would have been entitled to receive, the same kind and amount of assets as would have been issued, distributed or paid to such Holder upon any such dissolution, liquidation or winding up with respect to such shares of Common Stock had such Holder been the holder of record of such shares of Common Stock receivable upon the exercise of this Warrant on the record date for the determination of those Persons entitled to receive any such liquidating distribution, *provided*, *however*, that the Holder shall not in any case be required to assume or be obligated in respect of any liabilities of Company.

2.5 Dilutive Issuances.

(a) If Company shall at any time after the Closing Date and until and including the earlier of (i) the second anniversary of the Closing Date and (ii) Company's Next Financing issue or sell any shares of Common Stock or Common Stock Equivalents in a Subsequent Issuance (other than an Exempt Issuance) for a consideration per share less than $0.90 (subject to adjustment pursuant to this **Section 2**)(a "Dilutive Issuance"), then the Warrant Number shall be adjusted by multiplying the Warrant Number immediately prior thereto by a fraction, the numerator of which shall be the Warrant Exercise Price then in effect and the denominator of which shall be the per share consideration received or to be received by Company in such Dilutive Issuance; *provided* that the Warrant Shares issued upon any prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(a)** as if there had been no prior exercise of this Warrant. If Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the fair market value per share and the consideration received or receivable by or payable to Company for purposes of this **Section 2.5**, the fair value of such property shall be determined reasonably and in good faith by the Company Board. As used herein, "Company's Next Financing" means the closing of a Subsequent Issuance yielding gross cash proceeds in an aggregate amount of at least $2,000,000.

(b) In the event that Company at any time issues, sells or grants any Common Stock Equivalents in a Dilutive Issuance (other than an Exempt Issuance), then, for purposes of this **Section 2.5**, Company shall be deemed to have issued at that time, pursuant to **Section 2.5(a)**, a number of shares of Common Stock equal to the maximum number of shares of Common Stock that are or shall become issuable upon the exercise of the purchase, conversion or exchange rights associated with such Common Stock Equivalents for consideration per share equal to the sum of (i) the aggregate consideration per share received by Company in connection with the issuance, sale or grant of such Common Stock Equivalents, plus (ii) the minimum amount of consideration per share receivable by Company in connection with the exercise of such Common Stock Equivalents. If, at any time after any adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)** as the result of any issuance, sale or grant of any Common Stock Equivalents, any of such Common Stock Equivalents or the rights of purchase, conversion or exchange associated therewith shall expire, the Warrant Number then in effect shall be decreased to the Warrant Number that would have been in effect if such expiring Common Stock Equivalents or rights of purchase, conversion or exchange had never been issued. Similarly, if, at any time after any such adjustment of the Warrant Number shall have been made pursuant to **Section 2.5(a)**, there is a change in (x) the consideration received or to be received by Company in connection with the issuance or exercise of such Common Stock Equivalents, or (y) the conversion ratio applicable to such Common Stock Equivalents so that a different number shares of Common Stock shall be issuable upon the conversion or exchange thereof, the Warrant Number then in effect shall be readjusted to the Warrant Number that would have been in effect had such changes taken place at the time that such Common Stock Equivalents were initially issued, granted or sold. In no event shall any readjustment under this **Section 2.5(b)** affect the validity of any Warrant Shares issued upon any exercise of this Warrant prior to such readjustment; *provided* that the Warrant Shares issued upon any such prior exercise of this Warrant shall be disregarded (as if the exercise of this Warrant and the issuance of such Warrant Shares as a result thereof had never happened) to the extent necessary to achieve the same readjustment to the Warrant under this **Section 2.5(b)** as if there had been no such prior exercise of this Warrant. To the extent that an adjustment to the Warrant Number is made pursuant to **Section 2.5(a)**, upon the issuance of Common Stock Equivalents, no further adjustment shall be made pursuant to **Section 2.5(a)** upon the issuance of Common Stock upon exercise or conversion of such Common Stock Equivalents.

(c) To the extent that any Equity-Based Payments are made by Company or any Subsidiary, the Holder of this Warrant shall then be entitled to, and Company shall pay to the Holder of this Warrant in cash, simultaneously with and as a condition to making such Equity-Based Payments, an amount equal to Holder's pro rata share of the sum of (i) the amount of such Equity-Based Payments and (ii) the payments made to the Holder of this Warrant under this paragraph with respect to such Equity-Based Payments. Holder's pro rata share, for purposes of this **Section 2.5(c)**, is the ratio of the number of shares of Common Stock, Conversion Shares and Warrant Shares owned by Holder immediately prior to the Equity-Based Payment to the total number of shares of Common Stock outstanding, without giving effect to Common Stock Equivalents, immediately prior to the Equity-Based Payment.

2.6 Adjustment of Warrant Exercise Price. Upon any adjustment of the Warrant Number as provided in **Sections 2.1** or **2.5**, the Warrant Exercise Price shall be adjusted to be equal to the product of (i) the Warrant Exercise Price in effect immediately prior to such adjustment multiplied by (ii) the quotient of the Warrant Number in effect immediately prior to such adjustment divided by the Warrant Number in effect immediately after such adjustment.

2.7 Determination of Adjustments.

(a) Upon any event that shall require an adjustment pursuant to this **Section 2**, Company shall promptly calculate such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth, in reasonable detail, such adjustment, the method of calculation thereof and the facts upon which such adjustment is based, including a statement of (i) the number of shares of Common Stock then outstanding on a Fully Diluted Basis and (ii) the Warrant Number, both as in effect immediately prior to such adjustment and as adjusted on account thereof. Company shall promptly mail a copy of each such certificate to the Holder. In the event that the Holder objects to the computation of such adjustment prepared by Company within 30 Business Days after receipt thereof, Company shall promptly cause a firm of independent certified public accountants of nationally recognized standing reasonably acceptable to the Holder to calculate such adjustment and mail a copy of such computation to the Holder, and the computation of such accountants shall be conclusive. Company shall keep at its principal office copies of all such certificates and cause the same to be available for inspection at such office during normal business hours by the Holder.

(b) For purposes of this **Section 2**, the consideration received or receivable by Company in connection with the issuance, sale, grant or exercise of additional shares of Common Stock or Common Stock Equivalents, irrespective of the accounting treatment of such consideration, shall be valued as follows:

(i) Cash Payment. In the case of cash, the amount received by Company for such issuance, sale, grant or exercise.

(ii) Securities or Other Property. In the case of securities or other property, the fair market value thereof as of the date immediately preceding such issuance, sale, grant or exercise as determined in good faith by the Company Board.

(iii) Allocation Related to Common Stock. In the event shares of Common Stock are issued or sold together with other securities or other assets of Company for a consideration that covers both, the consideration received (calculated as provided in (i) and (ii) above) shall be allocable to such shares of Common Stock as determined in good faith by the Company Board.

(iv) Allocation Related to Common Stock Equivalents. In case any Common Stock Equivalents shall be issued or sold together with other securities or other assets of Company, together constituting one integral transaction in which no specific consideration is allocated to the Common Stock Equivalents, the consideration allocable to such Common Stock Equivalents shall be determined in good faith by the Company Board.

(v) Merger or Consolidation. In case any shares of Common Stock or Common Stock Equivalents shall be issued or granted in connection with any merger or combination in which Company is the surviving corporation, the amount of consideration therefor shall be deemed to be the fair value of such portion of the assets and business of the nonsurviving corporation attributable to such Common Stock or Common Stock Equivalents, as determined in good faith by the Company Board.

(c) The following additional provisions shall be applicable to the adjustments provided for pursuant to this **Section 2**:

(i) When Adjustments to be Made. The adjustments required by this **Section 2** shall be made whenever and as often as any specified event requiring such an adjustment shall occur and shall be effective (A) in the case of any dividend or distribution of Common Stock to the holders of Common Stock, immediately after the close of business on the record date for the determination of holders of Common Stock entitled to receive such dividend or distribution, and (B) in the case of any other specified event, at the close of business on the date of such specified event.

(ii) Record Date. In case Company shall take a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock or other securities or (B) to subscribe for or purchase Common Stock or other securities, then all references in this **Section 2** to the date of the issuance or sale of such shares of Common Stock or other securities shall be deemed to be references to such record date; *provided*, *however*, that in the event Company legally abandons such action before its occurrence, then no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(iii) Fractional Interests. In computing adjustments under this **Section 2**, fractional interests in Common Stock shall be taken into account to the nearest 1/100th of a share; provided, however, that any resulting fractional Share interests shall be settled upon exercise or conversion of this Warrant in accordance with **Section 1.6**.

(iv) Maximum Warrant Exercise Price. At no time shall the Warrant Exercise Price exceed the amount set forth in the introductory paragraph of this Warrant except as the proper result of an adjustment pursuant to this **Section 2**.

(v) Certain Limitations. Notwithstanding anything herein to the contrary, Company agrees not to enter into any transaction that, by reason of any adjustment hereunder, would cause the Warrant Exercise Price to be less than the par value per share of its Common Stock.

(vi) Independent Application. Except as otherwise provided herein, all sections and subsections of this **Section 2** are intended to operate independently of one another (but without duplication). If an event occurs that requires the application of more than one section or subsection, all applicable sections and subsections shall be given independent effect.

2.8 Breach of Representation and Warranty.

(a) Without limitation of all other remedies available to the Holder in this Warrant or otherwise, in the event that any representation and warranty set forth in Section 3.6 of the Investment Agreement was not true when made, Company shall issue to the Holder, at no cost to the Holder, an additional amount of Warrants such that, if such issuance of additional Warrants were made on the Closing Date, the representation and warranty in the last sentence of Section 3.6(b) of the Investment Agreement would have been true and accurate in all respects when made.

(b) Any additional Warrants issued to the Holder pursuant to this **Section 2.8** shall be treated as if they were issued on the Closing Date and shall reflect any dividends or other distributions that would have been accrued or have been payable with respect to, and the application of any antidilution, ratable treatment or similar provisions (as set forth herein, in applicable law or otherwise) that would have been applicable to, such Warrants or underlying Warrant Shares had such additional Warrants been issued on the Closing Date.

(c) In connection with the issuance of any additional Warrants under this **Section 2.8**, Company shall reserve a sufficient number of shares of Common Stock for issuance to the Holder upon exercise of such additional Warrants.

3. CERTAIN AGREEMENTS**.** Company hereby covenants and agrees as follows:

3.1 Shares to be Fully Paid**.** All Warrant Shares shall, upon issuance in accordance with the terms of this Warrant, be duly and validly issued, fully paid and non-assessable and not subject to the preemptive or other similar rights of the stockholders of Company.

3.2 Reservation of Shares**.** Until the Expiration Date, Company at all times shall have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant in full.

3.3 Successors and Assigns**.** This Warrant shall be binding upon any entity succeeding to Company by merger, consolidation, or acquisition of all or substantially all Company's assets or all or substantially all of Company's outstanding capital stock or otherwise.

3.4 Issue Tax**.** The issuance of certificates for Warrant Shares upon the exercise or conversion of this Warrant shall be made without charge to Holder or such Warrant Shares for any issuance tax or other costs in respect thereof, *provided* that Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than Holder.

3.5 No Rights or Liabilities as a Stockholder. This Warrant shall not entitle Holder to any voting rights or other rights as a stockholder of Company. No provision of this Warrant, in the absence of affirmative action by Holder to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of Holder, shall give rise to any liability of Holder for the Warrant Exercise Price or as a stockholder of Company, whether such liability is asserted by Company or by creditors of Company.

4. TRANSFER AND REPLACEMENT OF WARRANT**.**

4.1 Restriction on Transfer. Subject to this **Section 4.1**, this Warrant and the rights granted to Holder are transferable and assignable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in substantially the form attached as Appendix 2, at the office or agency of Company referred to in **Section 4.4**. Nothing in this Warrant shall prohibit Holder from assigning, delegating or transferring this Warrant and Holder's rights and obligations under this Warrant to an Affiliate of Holder. Otherwise, Holder may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Warrant or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Until due presentment for registration of transfer on the books of Company, Company may treat the registered holder hereof as the owner and Holder for all purposes, and Company shall not be affected by any notice to the contrary. Company shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein and any assignment of rights and obligations by Company shall be null and void as a matter of law.

4.2 Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, Company, at its expense, shall execute and deliver, in lieu thereof, a new Warrant of like tenor.

4.3 Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange or replacement, this Warrant shall be promptly canceled by Company. Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by Holder or transferees) and charges payable in connection with the preparation, execution, and delivery of a new Warrant issued to Holder or transferees, as applicable.

4.4 Register. Company shall maintain, at its principal executive offices (or such other office or agency of Company as it may designated by notice to Holder), a register for this Warrant, in which Company shall record the name and address of the Person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

5. REGISTRATION RIGHTS; MARKET STAND-OFF AGREEMENT.

(a) The shares of Common Stock issuable upon exercise or conversion of this Warrant shall be "Registrable Securities" under that certain Registration Rights Agreement, dated as of March 28, 2014, by and between Company and Holder.

(b) In the event of a Qualified IPO, Holder hereby agrees that it will not, if so requested by the managing underwriter for such Qualified IPO, without the prior written consent of such managing underwriter, during the period commencing on the date of the final prospectus relating to such Qualified IPO, and ending on the date specified by such managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by such underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (whether such shares or any such securities are then owned by Holder or are thereafter acquired) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this **Section 5(b)** shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to Holder only if all Company officers and directors are subject to the same restrictions. The underwriters in connection with such Qualified IPO are intended third-party beneficiaries of this **Section 5(b)** and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such Qualified IPO that are consistent with this **Section 5(b)** or that are necessary to give further effect thereto.

6. MISCELLANEOUS.

6.1 Term. This Warrant is exercisable or convertible in whole or in part at any time and from time to time on or after the Third Anniversary Date and before or on the Expiration Date.

6.2 Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

if to Company, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

if to Holder, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax:(781) 699-9756

Company or Holder may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

6.3 Waivers. The rights and remedies provided for herein are cumulative and not exclusive of any right or remedy that may be available to Holder whether at law, in equity, or otherwise. No delay, forbearance, or neglect by Holder, whether in one or more instances, in the exercise of any right, power, privilege, or remedy hereunder or in the enforcement of any term or condition of this Warrant shall constitute or be construed as a waiver thereof. No waiver of any provision hereof, or consent required hereunder, or any consent or departure from this Warrant, shall be valid or binding unless expressly and affirmatively made in writing and duly executed by Holder. No waiver shall constitute or be construed as a continuing waiver or a waiver in respect of any subsequent breach, either of similar or different nature, unless expressly so stated in such writing.

6.4 Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific intent or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they may be entitled by law or equity.

6.5 Counterparts. This Warrant may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same Warrant. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.6 Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

6.7 Amendment. This Warrant may be amended, modified, or supplemented only pursuant to a written instrument making specific reference to this Warrant and signed by Company and Holder.

6.8 Severability. Whenever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Warrant.

6.9 Descriptive Headings; No Strict Construction. The descriptive headings of this Warrant are inserted for convenience only and do not constitute a substantive part of this Warrant. The parties to this Warrant have participated jointly in the negotiation and drafting of this Warrant. If an ambiguity or question of intent or interpretation arises, this Warrant shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Warrant. The parties agree that prior drafts of this Warrant shall be deemed not to provide any evidence as to the meaning of any provision hereof or the intention of the parties hereto with respect to this Warrant.

[*signature page follows*]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Common Stock Purchase Warrant by their duly authorized representatives as of the date first above written.

COMPANY:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

HOLDER:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

APPENDIX 1

NOTICE OF EXERCISE

TO: APOLLO MEDICAL HOLDINGS, INC.

1. The undersigned hereby elects to purchase _____ Shares of the Common Stock of Apollo Medical Holdings, Inc. pursuant to the terms of the attached Common Stock Purchase Warrant (the "**Warrant**") issued to the undersigned (or the undersigned's predecessor or assignor), and shall tender payment of the exercise price in full in accordance with the terms of the Warrant.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ the cancellation of such number of Shares as is necessary, in accordance with the formula set forth in**Section 1.2** of the Warrant, to exercise the Warrant with respect to the maximum number of Shares purchasable pursuant to the cashless exercise procedure set forth in **Section 1.2** of the Warrant.

3. Please issue a certificate or certificates (or, if applicable, Book-Entry Shares) representing said Shares in the name of the undersigned or in such other name as is specified below:

The Shares shall be delivered by physical delivery of a certificate (or, if applicable, Book-Entry Shares) to:

[SIGNATURE OF HOLDER]

Name of Holder:
Signature of Authorized Signatory of Holder:
Name of Authorized Signatory:
Title of Authorized Signatory:
Date:

Date of exercise under **Section 1.1** of the Warrant or date of exercise of conversion right under **Section 1.2** of the Warrant is the date this Notice is deemed effectively given under **Section 6.2** of this Warrant.

APPENDIX 2

ASSIGNMENT FORM

(To Assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED,

(check first box OR fill in number of Shares in second box)

[___] all of the Warrant

OR

[_____] shares of the foregoing Warrant

and all rights evidenced thereby are hereby assigned to:

_____ whose address is _____
_____.

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

COLLATERAL ASSIGNMENT
OF
PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT(this "Assignment"), dated as of March 28, 2014, is made by **Apollo Medical Holdings, Inc.**, a Delaware corporation ("Borrower"), and **Apollo Medical Management, Inc.**, a Delaware corporation ("Manager"), to and in favor of**NNA of Nevada, Inc.**, a Nevada corporation ("Lender").

WHEREAS, Borrower, Manager, ApolloMed Care Clinic, A Professional Corporation("Practice"), and Warren Hosseinion, M.D., an individual ("Shareholder"), have entered into that certain Physician Shareholder Agreement dated as of March 28, 2014 (as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Shareholder Agreement"), a true copy of which is attached hereto asExhibit A;

WHEREAS, Manager and Practice have entered into that certain Amended and Restated Management Agreement dated as of March 28, 2014(as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Management Agreement and, together with the Shareholder Agreement, the "Transaction Agreements"), a true copy of which is attached hereto asExhibit B;

WHEREAS, Borrower and Lender have entered into that certain Credit Agreement, dated as of the date hereof (as may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which Lender has agreed to provide certain loans (the "Loans") to Borrower for its own use, as well as for purposes of extending credit to certain of its subsidiaries and affiliates and, in connection therewith, Borrower, certain subsidiaries and affiliates of Borrower, including Manager, and Lender have entered into various instruments, documents and other agreements, as such may be amended, restated, supplemented or otherwise modified from time to time (together with the Credit Agreement, the "Credit Documents"), in order to secure the performance and payment in full of all Obligations under the Credit Documents. All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Credit Agreement; and

WHEREAS, it is a condition to the agreement of Lender to extend the Loans under the Credit Agreement to Borrower that Borrower and Manager execute and deliver this Assignment to Lender, and that Practice and Shareholder consent hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises, Borrower and Manager hereby agree with Lender as follows:

1. Collateral Assignment. As collateral security for the performance and payment in full of all Obligations under the Credit Documents, each of Borrower and Manager does hereby collaterally assign and transfer to Lender, and grant a security interest to Lender (as collateral security for the performance and payment in full of all Obligations), in all of Borrower's or Manager's, as applicable, right, title and interest to and under the Transaction Agreements.

2. Lender not Obligated under the Transaction Agreements. Notwithstanding the foregoing, each of Borrower and Manager expressly agrees that it shall remain liable to perform all of its obligations under the Transaction Agreements, and neither this Assignment nor any action taken hereunder shall cause Lender to be under any obligation or liability in any respect to Practice or Shareholder or any other Person for the performance or observance of any of the representations, warranties, conditions, covenants, agreements or terms of the Transaction Agreements.

3. Lender May Enforce Rights Under the Transaction Agreements. Upon the occurrence and during the continuation of an Event of Default, Lender may enforce, either in its own name or in the name of Borrower or Manager, all rights of Borrower and Manager under the Transaction Agreements in accordance with the terms thereof, and may do any and all things necessary or advisable to fully and completely effectuate the collateral assignment of the rights of Borrower and Manager under the Transaction Agreements pursuant hereto. In the event that any Transaction Agreement is transferred by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise, the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, without the consent of Borrower, Manager or any other party, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

4. Further Assurances. Each of Borrower and Manager agrees at any time and from time to time, upon Lender's written request, to execute and deliver to Lender such further documents and do such other acts and things as Lender may reasonably request to further effect the purposes of this Assignment and to effectuate the assignment of any Transaction Agreement to a transferee as provided hereunder, including, without limitation, the filing of this Assignment (or any schedule, amendment or supplement thereto), or a financing or continuation statement with respect hereto or thereto in accordance with the laws of any applicable jurisdictions. Each of Borrower and Manager hereby authorizes Lender to effect any such filing as aforesaid (including the filing of any such financing statements or amendments thereto without the signature of Borrower or Manager), and Lender's reasonable documented out-of-pocket costs and expenses with respect thereto shall be payable by Borrower and Manager on demand. In the event any action is brought by Lender to enforce any rights of Borrower or Manager under the Transaction Agreements in accordance with the terms thereof, Borrower and Manager will reasonably cooperate with and assist Lender, at the sole cost and expense of Borrower and Manager, in the prosecution thereof.

5. Representations and Warranties. Each of Borrower and Manager hereby represents and warrants that: (i) no default or condition that, with the giving of notice or the passage of time or both would constitute a default, exists under the Transaction Agreements; and (ii) it has not assigned or pledged or otherwise encumbered the Transaction Agreements to anyone other than Lender.

6. Covenants. Each of Borrower and Manager hereby covenants and agrees that: (i) it will not assign, pledge or otherwise encumber any of its right, title or interest under, in or to the Transaction Agreements to anyone other than Lender or Lender's successors or assigns; (ii) it will not, without the prior written consent of Lender, take or omit to take any action, the taking or omission of which might result in a material alteration or material impairment of any Transaction Agreement or of this Assignment; (iii) it will not, without the prior written consent of Lender, enter into any agreement amending, supplementing, or modifying any provision of any Transaction Agreement or deliver any notice of termination or terminate any Transaction Agreement; (iv) it will not consent or agree to any act or omission to act on the part of any party to any Transaction Agreement that, without such consent or agreement, would constitute a default thereunder; (v) it will exercise promptly and diligently each and every right that it may have under the Transaction Agreements (except the right to terminate subject to the provision set forth above); and (vi) it will deliver to Lender a copy of each material demand, notice, communication or document (except those received in the ordinary course of business and not relating to the amendment or termination thereof, or the default thereunder by any party) delivered to it in any way relating to the Transaction Agreements.

7. Power of Attorney. Each of Borrower and Manager hereby constitutes and appoints Lender, and its successors and assigns, as its true and lawful attorney, irrevocably, with full power (in the name of Borrower or Manager, as applicable, or otherwise), upon the occurrence and during the continuation of any Event of Default under the Credit Documents, to file any claims or take any action at law or in equity or as Lender may deem necessary or advisable in respect of the Transaction Agreements. This power of attorney, being coupled with an interest, is irrevocable.

8. Entire Agreement. **THIS ASSIGNMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HEREWITH EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS ASSIGNMENT CONSTITUTES THE FINAL AND ENTIRE AGREEMENT WITH RESPECT TO THE COLLATERAL ASSIGNMENT OF RIGHTS UNDER THE TRANSACTION AGREEMENTS FROM BORROWER AND MANAGER TO LENDER, AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

9. Amendment. Any provision of this Assignment may be amended or waived, if, but only if, such amendment or waiver is in writing and is signed by Borrower, Manager and Lender.

10. Controlling Law. This Assignment has been executed, delivered and accepted at, and shall be deemed to have been made in, New York and shall be interpreted in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of New York.

11. Satisfaction of Obligations. Upon the occurrence of (A) the payment in full in cash of the Obligations (other than contingent and indemnification obligations not then due and payable) and (B) the termination of the Revolving Credit Commitment, this Assignment shall become and be void and of no effect and all of the right, title, interest, claim and demand of Lender shall automatically revert to Borrower and Manager.

12. Counterparts. This Assignment may be executed in several counterparts, each of which shall be an original and all of which, together, shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or in electronic format (e.g., “pdf” or “tif” file format) shall be effective as delivery of a manually executed counterpart of this Assignment.

13. Acknowledgment. Borrower, Manager and Lender hereby agree to the terms set forth in the Acknowledgment attached hereto, which terms are incorporated herein for all purposes.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF each of the undersigned has caused this Assignment to be executed by its duly authorized officer on the day and year first above written.

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

APOLLO MEDICAL MANAGEMENT, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

Signature Page to Collateral Assignment (2 of 2)
ApolloMed Care Clinic

ACKNOWLEDGMENT

Practice and Shareholder irrevocably consent to the foregoing Assignment and agree that, after receipt of written notice from Lender that an Event of Default has occurred and is continuing under the Credit Agreement and until Lender provides it with written notice that such Event of Default has been cured or waived or has otherwise ceased to exist, Lender may directly or on behalf of Borrower or Manager, assert any of Borrower's and Manager's rights under the Transaction Agreements. Without limiting the generality of the foregoing, each of Practice and Manager hereby consent to any transfer of any Transaction Agreement by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise and agree the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

Notwithstanding anything to the contrary in the foregoing Assignment or this Acknowledgment: (i) nothing in the foregoing Assignment or this Acknowledgement shall modify, limit or release any of Borrower's or Manager's obligations or covenants set forth in the Transaction Agreements, create any additional defenses for Borrower or Manager or increase or add to any obligations or covenants of Practice or Shareholder contained in the Transaction Agreements; and (ii) in no event shall Practice or Shareholder have any liability or responsibility to Borrower or Manager (or any affiliates thereof) for acting in accordance with or relying upon any instruction, notice, demand, certificate or document from Lender or any entity acting on behalf of Lender.

Capitalized terms used but not defined in this Acknowledgment shall have the meanings ascribed to them in the foregoing Assignment. This Acknowledgment shall be binding upon each of the undersigned and its respective successors and assigns, and shall inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender and its successors and assigns. THIS ACKNOWLEDGMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF).

APOLLOMED CARE CLINIC, A PROFESSIONAL CORPORATION

By: /s/ Warren Hosseinion

Name: Warren Hosseinion

Title: President / CEO

/s/ Warren Hosseinion
WARREN HOSSEINION, M.D., an individual

EXHIBIT A

SHAREHOLDER AGREEMENT

(See attached)

EXHIBIT B

MANAGEMENT AGREEMENT

(See attached)

COLLATERAL ASSIGNMENT
OF
PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT(this "Assignment"), dated as of March 28, 2014, is made by **Apollo Medical Holdings, Inc.**, a Delaware corporation ("Borrower"), and **Apollo Medical Management, Inc.**, a Delaware corporation ("Manager"), to and in favor of**NNA of Nevada, Inc.**, a Nevada corporation ("Lender").

WHEREAS, Borrower, Manager, Maverick Medical Group Inc. ("Practice"), and Warren Hosseinion, M.D., an individual ("Shareholder"), have entered into that certain Physician Shareholder Agreement dated as of March 28, 2014 (as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Shareholder Agreement"), a true copy of which is attached hereto asExhibit A;

WHEREAS, Manager and Practice have entered into that certain Amended and Restated Management Agreement dated as of March 28, 2014(as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Management Agreement and, together with the Shareholder Agreement, the "Transaction Agreements"), a true copy of which is attached hereto asExhibit B;

WHEREAS, Borrower and Lender have entered into that certain Credit Agreement, dated as of the date hereof (as may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which Lender has agreed to provide certain loans (the "Loans") to Borrower for its own use, as well as for purposes of extending credit to certain of its subsidiaries and affiliates and, in connection therewith, Borrower, certain subsidiaries and affiliates of Borrower, including Manager, and Lender have entered into various instruments, documents and other agreements, as such may be amended, restated, supplemented or otherwise modified from time to time (together with the Credit Agreement, the "Credit Documents"), in order to secure the performance and payment in full of all Obligations under the Credit Documents. All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Credit Agreement; and

WHEREAS, it is a condition to the agreement of Lender to extend the Loans under the Credit Agreement to Borrower that Borrower and Manager execute and deliver this Assignment to Lender, and that Practice and Shareholder consent hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises, Borrower and Manager hereby agree with Lender as follows:

1. Collateral Assignment. As collateral security for the performance and payment in full of all Obligations under the Credit Documents, each of Borrower and Manager does hereby collaterally assign and transfer to Lender, and grant a security interest to Lender (as collateral security for the performance and payment in full of all Obligations), in all of Borrower's or Manager's, as applicable, right, title and interest to and under the Transaction Agreements.

2. Lender not Obligated under the Transaction Agreements. Notwithstanding the foregoing, each of Borrower and Manager expressly agrees that it shall remain liable to perform all of its obligations under the Transaction Agreements, and neither this Assignment nor any action taken hereunder shall cause Lender to be under any obligation or liability in any respect to Practice or Shareholder or any other Person for the performance or observance of any of the representations, warranties, conditions, covenants, agreements or terms of the Transaction Agreements.

3. Lender May Enforce Rights Under the Transaction Agreements. Upon the occurrence and during the continuation of an Event of Default, Lender may enforce, either in its own name or in the name of Borrower or Manager, all rights of Borrower and Manager under the Transaction Agreements in accordance with the terms thereof, and may do any and all things necessary or advisable to fully and completely effectuate the collateral assignment of the rights of Borrower and Manager under the Transaction Agreements pursuant hereto. In the event that any Transaction Agreement is transferred by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise, the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, without the consent of Borrower, Manager or any other party, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

4. Further Assurances. Each of Borrower and Manager agrees at any time and from time to time, upon Lender's written request, to execute and deliver to Lender such further documents and do such other acts and things as Lender may reasonably request to further effect the purposes of this Assignment and to effectuate the assignment of any Transaction Agreement to a transferee as provided hereunder, including, without limitation, the filing of this Assignment (or any schedule, amendment or supplement thereto), or a financing or continuation statement with respect hereto or thereto in accordance with the laws of any applicable jurisdictions. Each of Borrower and Manager hereby authorizes Lender to effect any such filing as aforesaid (including the filing of any such financing statements or amendments thereto without the signature of Borrower or Manager), and Lender's reasonable documented out-of-pocket costs and expenses with respect thereto shall be payable by Borrower and Manager on demand. In the event any action is brought by Lender to enforce any rights of Borrower or Manager under the Transaction Agreements in accordance with the terms thereof, Borrower and Manager will reasonably cooperate with and assist Lender, at the sole cost and expense of Borrower and Manager, in the prosecution thereof.

5. Representations and Warranties. Each of Borrower and Manager hereby represents and warrants that: (i) no default or condition that, with the giving of notice or the passage of time or both would constitute a default, exists under the Transaction Agreements; and (ii) it has not assigned or pledged or otherwise encumbered the Transaction Agreements to anyone other than Lender.

6. Covenants. Each of Borrower and Manager hereby covenants and agrees that: (i) it will not assign, pledge or otherwise encumber any of its right, title or interest under, in or to the Transaction Agreements to anyone other than Lender or Lender's successors or assigns; (ii) it will not, without the prior written consent of Lender, take or omit to take any action, the taking or omission of which might result in a material alteration or material impairment of any Transaction Agreement or of this Assignment; (iii) it will not, without the prior written consent of Lender, enter into any agreement amending, supplementing, or modifying any provision of any Transaction Agreement or deliver any notice of termination or terminate any Transaction Agreement; (iv) it will not consent or agree to any act or omission to act on the part of any party to any Transaction Agreement that, without such consent or agreement, would constitute a default thereunder; (v) it will exercise promptly and diligently each and every right that it may have under the Transaction Agreements (except the right to terminate subject to the provision set forth above); and (vi) it will deliver to Lender a copy of each material demand, notice, communication or document (except those received in the ordinary course of business and not relating to the amendment or termination thereof, or the default thereunder by any party) delivered to it in any way relating to the Transaction Agreements.

7. Power of Attorney. Each of Borrower and Manager hereby constitutes and appoints Lender, and its successors and assigns, as its true and lawful attorney, irrevocably, with full power (in the name of Borrower or Manager, as applicable, or otherwise), upon the occurrence and during the continuation of any Event of Default under the Credit Documents, to file any claims or take any action at law or in equity or as Lender may deem necessary or advisable in respect of the Transaction Agreements. This power of attorney, being coupled with an interest, is irrevocable.

8. Entire Agreement. **THIS ASSIGNMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HEREWITH EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS ASSIGNMENT CONSTITUTES THE FINAL AND ENTIRE AGREEMENT WITH RESPECT TO THE COLLATERAL ASSIGNMENT OF RIGHTS UNDER THE TRANSACTION AGREEMENTS FROM BORROWER AND MANAGER TO LENDER, AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

9. Amendment. Any provision of this Assignment may be amended or waived, if, but only if, such amendment or waiver is in writing and is signed by Borrower, Manager and Lender.

10. Controlling Law. This Assignment has been executed, delivered and accepted at, and shall be deemed to have been made in, New York and shall be interpreted in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of New York.

11. Satisfaction of Obligations. Upon the occurrence of (A) the payment in full in cash of the Obligations (other than contingent and indemnification obligations not then due and payable) and (B) the termination of the Revolving Credit Commitment, this Assignment shall become and be void and of no effect and all of the right, title, interest, claim and demand of Lender shall automatically revert to Borrower and Manager.

12. Counterparts. This Assignment may be executed in several counterparts, each of which shall be an original and all of which, together, shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or in electronic format (e.g., “pdf” or “tif” file format) shall be effective as delivery of a manually executed counterpart of this Assignment.

13. Acknowledgment. Borrower, Manager and Lender hereby agree to the terms set forth in the Acknowledgment attached hereto, which terms are incorporated herein for all purposes.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF each of the undersigned has caused this Assignment to be executed by its duly authorized officer on the day and year first above written.

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

APOLLO MEDICAL MANAGEMENT, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

Signature Page to Collateral Assignment (2 of 2)
Maverick Medical Group

ACKNOWLEDGMENT

Practice and Shareholder irrevocably consent to the foregoing Assignment and agree that, after receipt of written notice from Lender that an Event of Default has occurred and is continuing under the Credit Agreement and until Lender provides it with written notice that such Event of Default has been cured or waived or has otherwise ceased to exist, Lender may directly or on behalf of Borrower or Manager, assert any of Borrower's and Manager's rights under the Transaction Agreements. Without limiting the generality of the foregoing, each of Practice and Manager hereby consent to any transfer of any Transaction Agreement by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise and agree the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

Notwithstanding anything to the contrary in the foregoing Assignment or this Acknowledgment: (i) nothing in the foregoing Assignment or this Acknowledgement shall modify, limit or release any of Borrower's or Manager's obligations or covenants set forth in the Transaction Agreements, create any additional defenses for Borrower or Manager or increase or add to any obligations or covenants of Practice or Shareholder contained in the Transaction Agreements; and (ii) in no event shall Practice or Shareholder have any liability or responsibility to Borrower or Manager (or any affiliates thereof) for acting in accordance with or relying upon any instruction, notice, demand, certificate or document from Lender or any entity acting on behalf of Lender.

Capitalized terms used but not defined in this Acknowledgment shall have the meanings ascribed to them in the foregoing Assignment. This Acknowledgment shall be binding upon each of the undersigned and its respective successors and assigns, and shall inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender and its successors and assigns. THIS ACKNOWLEDGMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF).

MAVERICK MEDICAL GROUP INC.

By: /s/ Warren Hosseinion

Name: Warren Hosseinion

Title: President / CEO

/s/ Warren Hosseinion
WARREN HOSSEINION, M.D., an individual

Signature Page to Collateral Assignment Acknowledgment
Maverick Medical Group

EXHIBIT A

SHAREHOLDER AGREEMENT

(See attached)

EXHIBIT B

MANAGEMENT AGREEMENT

(See attached)

COLLATERAL ASSIGNMENT
OF
PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT

THIS COLLATERAL ASSIGNMENT OF PHYSICIAN SHAREHOLDER AGREEMENT AND MANAGEMENT AGREEMENT(this "Assignment"), dated as of March 28, 2014, is made by **Apollo Medical Holdings, Inc.**, a Delaware corporation ("Borrower"), and **Apollo Medical Management, Inc.**, a Delaware corporation ("Manager"), to and in favor of**NNA of Nevada, Inc.**, a Nevada corporation ("Lender").

WHEREAS, Borrower, Manager, ApolloMed Hospitalists, A Medical Corporation("Practice"), and Warren Hosseinion, M.D., an individual ("Shareholder"), have entered into that certain Physician Shareholder Agreement dated as of March 28, 2014 (as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Shareholder Agreement"), a true copy of which is attached hereto asExhibit A;

WHEREAS, Manager and Practice have entered into that certain Amended and Restated Management Agreement dated as of March 28, 2014(as amended, restated, supplemented or otherwise modified in accordance with the terms of this Assignment, the "Management Agreement and, together with the Shareholder Agreement, the "Transaction Agreements"), a true copy of which is attached hereto asExhibit B;

WHEREAS, Borrower and Lender have entered into that certain Credit Agreement, dated as of the date hereof (as may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which Lender has agreed to provide certain loans (the "Loans") to Borrower for its own use, as well as for purposes of extending credit to certain of its subsidiaries and affiliates and, in connection therewith, Borrower, certain subsidiaries and affiliates of Borrower, including Manager, and Lender have entered into various instruments, documents and other agreements, as such may be amended, restated, supplemented or otherwise modified from time to time (together with the Credit Agreement, the "Credit Documents"), in order to secure the performance and payment in full of all Obligations under the Credit Documents. All capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Credit Agreement; and

WHEREAS, it is a condition to the agreement of Lender to extend the Loans under the Credit Agreement to Borrower that Borrower and Manager execute and deliver this Assignment to Lender, and that Practice and Shareholder consent hereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises, Borrower and Manager hereby agree with Lender as follows:

1. Collateral Assignment. As collateral security for the performance and payment in full of all Obligations under the Credit Documents, each of Borrower and Manager does hereby collaterally assign and transfer to Lender, and grant a security interest to Lender (as collateral security for the performance and payment in full of all Obligations), in all of Borrower's or Manager's, as applicable, right, title and interest to and under the Transaction Agreements.

2. Lender not Obligated under the Transaction Agreements. Notwithstanding the foregoing, each of Borrower and Manager expressly agrees that it shall remain liable to perform all of its obligations under the Transaction Agreements, and neither this Assignment nor any action taken hereunder shall cause Lender to be under any obligation or liability in any respect to Practice or Shareholder or any other Person for the performance or observance of any of the representations, warranties, conditions, covenants, agreements or terms of the Transaction Agreements.

3. Lender May Enforce Rights Under the Transaction Agreements. Upon the occurrence and during the continuation of an Event of Default, Lender may enforce, either in its own name or in the name of Borrower or Manager, all rights of Borrower and Manager under the Transaction Agreements in accordance with the terms thereof, and may do any and all things necessary or advisable to fully and completely effectuate the collateral assignment of the rights of Borrower and Manager under the Transaction Agreements pursuant hereto. In the event that any Transaction Agreement is transferred by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise, the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, without the consent of Borrower, Manager or any other party, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

4. Further Assurances. Each of Borrower and Manager agrees at any time and from time to time, upon Lender's written request, to execute and deliver to Lender such further documents and do such other acts and things as Lender may reasonably request to further effect the purposes of this Assignment and to effectuate the assignment of any Transaction Agreement to a transferee as provided hereunder, including, without limitation, the filing of this Assignment (or any schedule, amendment or supplement thereto), or a financing or continuation statement with respect hereto or thereto in accordance with the laws of any applicable jurisdictions. Each of Borrower and Manager hereby authorizes Lender to effect any such filing as aforesaid (including the filing of any such financing statements or amendments thereto without the signature of Borrower or Manager), and Lender's reasonable documented out-of-pocket costs and expenses with respect thereto shall be payable by Borrower and Manager on demand. In the event any action is brought by Lender to enforce any rights of Borrower or Manager under the Transaction Agreements in accordance with the terms thereof, Borrower and Manager will reasonably cooperate with and assist Lender, at the sole cost and expense of Borrower and Manager, in the prosecution thereof.

5. Representations and Warranties. Each of Borrower and Manager hereby represents and warrants that: (i) no default or condition that, with the giving of notice or the passage of time or both would constitute a default, exists under the Transaction Agreements; and (ii) it has not assigned or pledged or otherwise encumbered the Transaction Agreements to anyone other than Lender.

6. Covenants. Each of Borrower and Manager hereby covenants and agrees that: (i) it will not assign, pledge or otherwise encumber any of its right, title or interest under, in or to the Transaction Agreements to anyone other than Lender or Lender's successors or assigns; (ii) it will not, without the prior written consent of Lender, take or omit to take any action, the taking or omission of which might result in a material alteration or material impairment of any Transaction Agreement or of this Assignment; (iii) it will not, without the prior written consent of Lender, enter into any agreement amending, supplementing, or modifying any provision of any Transaction Agreement or deliver any notice of termination or terminate any Transaction Agreement; (iv) it will not consent or agree to any act or omission to act on the part of any party to any Transaction Agreement that, without such consent or agreement, would constitute a default thereunder; (v) it will exercise promptly and diligently each and every right that it may have under the Transaction Agreements (except the right to terminate subject to the provision set forth above); and (vi) it will deliver to Lender a copy of each material demand, notice, communication or document (except those received in the ordinary course of business and not relating to the amendment or termination thereof, or the default thereunder by any party) delivered to it in any way relating to the Transaction Agreements.

7. Power of Attorney. Each of Borrower and Manager hereby constitutes and appoints Lender, and its successors and assigns, as its true and lawful attorney, irrevocably, with full power (in the name of Borrower or Manager, as applicable, or otherwise), upon the occurrence and during the continuation of any Event of Default under the Credit Documents, to file any claims or take any action at law or in equity or as Lender may deem necessary or advisable in respect of the Transaction Agreements. This power of attorney, being coupled with an interest, is irrevocable.

8. Entire Agreement. **THIS ASSIGNMENT AND THE DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED CONTEMPORANEOUSLY HEREWITH EMBODY THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS AND UNDERSTANDINGS OF SUCH PERSONS, VERBAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS ASSIGNMENT CONSTITUTES THE FINAL AND ENTIRE AGREEMENT WITH RESPECT TO THE COLLATERAL ASSIGNMENT OF RIGHTS UNDER THE TRANSACTION AGREEMENTS FROM BORROWER AND MANAGER TO LENDER, AND MAY NOT BE CONTRADICTED BY PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

9. Amendment. Any provision of this Assignment may be amended or waived, if, but only if, such amendment or waiver is in writing and is signed by Borrower, Manager and Lender.

10. Controlling Law. This Assignment has been executed, delivered and accepted at, and shall be deemed to have been made in, New York and shall be interpreted in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of New York.

11. Satisfaction of Obligations. Upon the occurrence of (A) the payment in full in cash of the Obligations (other than contingent and indemnification obligations not then due and payable) and (B) the termination of the Revolving Credit Commitment, this Assignment shall become and be void and of no effect and all of the right, title, interest, claim and demand of Lender shall automatically revert to Borrower and Manager.

12. Counterparts. This Assignment may be executed in several counterparts, each of which shall be an original and all of which, together, shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or in electronic format (e.g., “pdf” or “tif” file format) shall be effective as delivery of a manually executed counterpart of this Assignment.

13. Acknowledgment. Borrower, Manager and Lender hereby agree to the terms set forth in the Acknowledgment attached hereto, which terms are incorporated herein for all purposes.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF each of the undersigned has caused this Assignment to be executed by its duly authorized officer on the day and year first above written.

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

APOLLO MEDICAL MANAGEMENT, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

Signature Page to Collateral Assignment (2 of 2)
ApolloMed Hospitalists

ACKNOWLEDGMENT

Practice and Shareholder irrevocably consent to the foregoing Assignment and agree that, after receipt of written notice from Lender that an Event of Default has occurred and is continuing under the Credit Agreement and until Lender provides it with written notice that such Event of Default has been cured or waived or has otherwise ceased to exist, Lender may directly or on behalf of Borrower or Manager, assert any of Borrower's and Manager's rights under the Transaction Agreements. Without limiting the generality of the foregoing, each of Practice and Manager hereby consent to any transfer of any Transaction Agreement by Lender pursuant to its rights as a secured party either by sale, assignment, secured party's sale, foreclosure, or otherwise and agree the transferee of the Transaction Agreement shall receive all of the rights, benefits and obligations of Borrower or Manager, as applicable, under the Transaction Agreement, as if the transferee was Borrower or Manager, as applicable, under the Transaction Agreement.

Notwithstanding anything to the contrary in the foregoing Assignment or this Acknowledgment: (i) nothing in the foregoing Assignment or this Acknowledgement shall modify, limit or release any of Borrower's or Manager's obligations or covenants set forth in the Transaction Agreements, create any additional defenses for Borrower or Manager or increase or add to any obligations or covenants of Practice or Shareholder contained in the Transaction Agreements; and (ii) in no event shall Practice or Shareholder have any liability or responsibility to Borrower or Manager (or any affiliates thereof) for acting in accordance with or relying upon any instruction, notice, demand, certificate or document from Lender or any entity acting on behalf of Lender.

Capitalized terms used but not defined in this Acknowledgment shall have the meanings ascribed to them in the foregoing Assignment. This Acknowledgment shall be binding upon each of the undersigned and its respective successors and assigns, and shall inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender and its successors and assigns. THIS ACKNOWLEDGMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF).

APOLLOMED HOSPITALISTS, A MEDICAL CORPORATION

By: /s/ Warren Hosseinion

Name: Warren Hosseinion

Title: President / CEO

/s/ Warren Hosseinion
WARREN HOSSEINION, M.D., an individual

EXHIBIT A

SHAREHOLDER AGREEMENT

(See attached)

EXHIBIT B

MANAGEMENT AGREEMENT

(See attached)

SHAREHOLDERS' AGREEMENT

THIS SHAREHOLDERS' AGREEMENT (this "Agreement"), dated as of March 28, 2014, is made by and between Apollo Medical Holdings, Inc., a Delaware corporation ("Apollo"), Warren Hosseinion, M.D. and Adrian Vazquez, M.D. (collectively, the "Management Shareholders"), and NNA of Nevada, Inc., a Nevada corporation (the "Investor")

BACKGROUND STATEMENT

The parties hereto desire to enter into this Agreement to provide to the Investor certain rights in consideration for the Investor's investments in Apollo made pursuant to the Credit Agreement, dated as of March 28, 2014, between the Investor and Apollo and the Investment Agreement, dated as of March 28, 2014, between the Investor and Apollo (the "Investment Agreement").

STATEMENT OF AGREEMENT

In consideration of the premises and of the mutual covenants and conditions herein contained, the parties agree for themselves, their heirs, successors and assigns, as follows:

1. Definitions. In addition to the terms defined elsewhere in this Agreement, when used in this Agreement the following terms shall have the following meanings:

(a) "Event of Default" has the meaning given to such term in each of the Credit Agreement and the Convertible Note.

(b) "Issue" means all issue, whether natural, adopted, or in the process of adoption.

(c) "Physician Shareholder Agreement" has the meaning given to such term in each of the Credit Agreement and the Convertible Note.

(d) "Related Party" means a spouse, Issue, spouse of Issue, or ancestor, except that any spouse living separate and apart from the other spouse with the intention by either to cease their matrimonial cohabitation is not a Related Party; or a trust for the sole benefit of one or more Persons thus defined as a Related Party or a partnership or limited liability company owned entirely by a Shareholder and Related Parties of a Shareholder.

(e) "Restricted Shares" means all shares of Capital Stock and Capital Stock Equivalents issued by Apollo that are now and hereafter outstanding and that are owned by any Management Shareholder and all shares distributed with respect to any Restricted Shares in a share split, share dividend or other recapitalization.

(f) Other Defined Terms. Capitalized terms used herein and not defined shall have the meanings given thereto in the Investment Agreement. The singular shall include the plural and vice versa, and gender shall be interchangeable.

2. Transfer to Related Party. Each Management Shareholder's Restricted Shares may be transferred, during such Management Shareholder's lifetime or by testamentary or intestate transfer, to any Related Party of such Management Shareholder. No further transfer of such shares shall be made by such transferee except back to the Management Shareholder who previously owned them or to another Related Party of such Management Shareholder, or except in accordance with the provisions of **Section 3**.

3. Tag-Along. If a Management Shareholder (a "Selling Shareholder") elects to sell his Restricted Shares to any Person (other than to Related Parties as expressly permitted by **Section 2**), the Selling Shareholder shall first provide written notice (a "Sales Notice") to the Investor of the Selling Shareholder's intent to sell such shares, which notice shall include the price per share and terms of payment. Investor may require some or all of its Conversion Shares, Purchase Shares, Warrant Shares and any other Common Stock owned by the Investor (collectively, the "Investor Shares"; and such shares as so required by the Investor to be sold pursuant to this Section, the "Tag Along Shares") also be sold in such transaction on the same terms and conditions as the Selling Shareholder is to receive. The Investor shall exercise its rights to sell under this Section by giving written notice to the Selling Shareholder within fifteen (15) Business Days after receiving the Sales Notice from the Selling Shareholder. If the purchaser in such transaction is unwilling to increase the aggregate purchase price payable in such transaction to pay for the Tag Along Shares that the Investor requires to be sold, the original aggregate purchase price shall be allocated between the Selling Shareholder and the Investor pro rata based on the number of shares the Selling Shareholder elected to sell in his Sales Notice and the number of Tag Along Shares that the Investor requires to be sold. No Management Shareholder may accept any offer from a third party without giving prior notice to such third party of the provisions of this Section. For purposes hereof, the Investor shall be entitled to include as Investor Shares any amount of Conversion Shares and Warrant Shares that may be acquired upon the conversion of the Convertible Note and the exercise of the Warrants, regardless of whether the Investor has actually converted such Convertible Note or exercised such Warrants or notified the Company of its intention to do so at the time of the Sales Notice and regardless of whether the Investor has the right to exercise the Warrants at the time of the Sales Notice because the Third Anniversary Date has not yet then occurred, in which case, Apollo shall permit the Investor's exercise of the Warrants in an amount sufficient to allow the Investor to exercise its rights pursuant to this **Section 3** with respect to the Warrant Shares.

4. Share Certificates. Every certificate representing Restricted Shares of Apollo shall bear the following legend prominently displayed:

"The shares represented by this certificate, and the transfer thereof, are subject to the provisions of that certain Shareholders' Agreement, dated as of March 28, 2014, a copy of which is on file in, and may be examined at, the principal office of Apollo."

Any shares of Capital Stock and Capital Stock Equivalents of Apollo subsequently acquired by a Management Shareholder shall also be subject to the requirements of **Sections 3** and **4**.

5. Transferees. Any purported or attempted transfer of Restricted Shares that does not comply with the provisions of this Agreement shall be null and void and the purported transferee shall not be deemed to be a shareholder of Apollo and shall not be entitled to receive a stock certificate or any dividends or other distributions on or with respect to such Restricted Shares. For the purposes of this Agreement, a purported transfer of Restricted Shares that causes such shares to be subject to **Section 3** shall be deemed to comply with the provisions hereof only after the expiration of such option.

6. Board Rights. For so long as the Requisite Holder Condition exists, the Investor shall have the right pursuant to the terms of the Investment Agreement to have a Purchaser Director appointed to the Company Board and to appoint such Purchaser Director to each committee thereof and to the board of directors (or equivalent governing body) of each Subsidiary of which more than 50% of the Capital Stock is owned by Apollo. Each Management Shareholder agrees to use commercially reasonable efforts to take any and all actions (including without limitation, any indirect actions, such as increasing the size of the Company Board to accommodate the addition of the Purchaser Director) to support and effect the appointment or election, and reappointment or reelection, of such Purchaser Director and the full exercise and realization of all rights to which Investor is entitled pursuant to the terms of **Sections 6.1** and **6.2** of the Investment Agreement (collectively, the "Investor Governance Rights"). Without limiting the foregoing, if and to the extent that any such actions regarding the Purchaser Director or the Investor Governance Rights are submitted to a vote of Apollo stockholders (or written consent in lieu of meeting, as the case may be), each Management Shareholder agrees to vote (or consent) all of his shares of Capital Stock issued by Apollo in favor of any and all actions to support and effect (i) the election and reelection of the Purchaser Director (or any designated successor thereto) to the Company Board, any committee thereof and to each of the board of directors (or equivalent governing body) of each Subsidiary and (ii) the full exercise and realization of the Investor Governance Rights.

The obligations of the Management Shareholders set forth in this **Section 6** shall survive for so long as any Requisite Holder Condition is satisfied notwithstanding the termination of the Investment Agreement.

7. Physician Shareholder Agreements. Apollo agrees that upon the occurrence and continuation of an Event of Default under the Credit Agreement or the Convertible Note, the Investor may cause Apollo to exercise Apollo's Acquisition Right (as such term or any similar term is defined in each Physician Shareholder Agreement) to designate a Permitted Transferee (as such term or any similar term is defined in each Physician Shareholder Agreement) to acquire the then existing shareholder's equity in the physician practice that is party to a Physician Shareholder Agreement pursuant to the terms of such Physician Shareholder Agreement. The Investor may cause Apollo to exercise the Acquisition Right by delivering written notice to Apollo of such exercise, and upon exercise, Apollo shall be obligated within thirty (30) days to cause the then existing shareholder to assign and transfer his or her equity in the physician practice, or for the physician practice to issue new equity interests, as applicable, to a Permitted Transferee approved by the Investor pursuant to the terms of the applicable Physician Shareholder Agreement.

8. Amendments to Certificate of Incorporation. Each Management Shareholder agrees to cooperate with making effective, and to cause all shares of Capital Stock held by such Management Shareholder and such Management Shareholder's Related Parties to vote in favor of, the amendments to the board-member-indemnification and securities-issuance provisions of Apollo's certificate of incorporation required by Sections 6.1(b)(D) and 6.3(c) of the Investment Agreement.

9. Entire Agreement. This Agreement, together with the other Transaction Documents, expresses the entire agreement between the parties hereto and supersedes any prior written or oral understandings or agreements, express or implied, and shall be binding upon and inure to the benefit of their respective heirs, legal representatives and permitted successors and assigns. These terms and conditions may not be modified, amended, supplemented or waived except by a writing signed by Apollo, the Management Shareholders and the Investor.

10. Specific Performance. Each Management Shareholder and Apollo agrees that each and every provision of this Agreement is reasonably necessary for the protection of the rights and interests of the Investor and its successors or assigns and that monetary damages may not be an adequate remedy for a breach of this Agreement. Without limiting any other remedy available to the Investor, the Investor and its successors and assigns shall therefore be entitled to specific performance and injunctive relief to enforce the provisions of this Agreement.

11. Severability. In the event that any provision of this Agreement shall be determined to be invalid or unenforceable by any court of competent jurisdiction, such determination shall not invalidate or render unenforceable any other provision hereof.

12. Successors and Assigns. Neither Apollo nor any Management Shareholder may assign, delegate, or otherwise transfer (whether by operation of law, by contract, or otherwise) its rights and obligations under this Agreement or any portion hereof or thereof. Nothing in this Agreement shall prohibit Investor from assigning, delegating or transferring this Agreement to an Affiliate of Investor. Otherwise, Investor may not assign, delegate or otherwise transfer (whether by operation of law, by contract or otherwise) its rights and obligations under this Agreement or any portion hereof or thereof (i) at any time prior to the first anniversary of the Effective Date and, (ii) thereafter, to any Person whose principal business is providing integrated healthcare services or who otherwise is a competitor of Company as determined reasonably and in good faith by the Company Board. Any attempted assignment, delegation, or transfer in violation of this **Section 12** shall be void and of no force or effect.

13. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

14. Consent to Jurisdiction; Waiver of Jury Trial. AS PART OF THE CONSIDERATION FOR NEW VALUE THIS DAY RECEIVED, EACH MANAGEMENT SHAREHOLDER, APOLLO AND THE INVESTOR HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF FEDERAL COURT SITTING IN THE SOUTHERN DISTRICT OF THE STATE OF NEW YORK AND THE COURTS OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN FOR ANY ACTION TO WHICH A MANAGEMENT SHAREHOLDER, APOLLO AND THE INVESTOR ARE PARTIES. TO THE EXTENT PERMITTED BY LAW, EACH MANAGEMENT SHAREHOLDER, APOLLO AND THE INVESTOR HEREBY WAIVES TRIAL BY JURY AND WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON LACK OF JURISDICTION OR IMPROPER VENUE OR *FORUM NON CONVENIENS* TO THE CONDUCT OF ANY ACTION INSTITUTED HEREUNDER, OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR ANY OTHER PROCEEDING TO WHICH ANY SUCH MANAGEMENT SHAREHOLDER, APOLLO AND THE INVESTOR IS A PARTY, INCLUDING ANY ACTIONS BASED UPON, ARISING OUT OF OR IN CONNECTION WITH ANY COURSE OF CONDUCT, COURSE OF DEALING OR STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF A MANAGEMENT SHAREHOLDER OR THE INVESTOR. EACH MANAGEMENT SHAREHOLDER AND APOLLO ALSO CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT.

15. Delivery of Offers, Notices. All demands, notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered, if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt), or five (5) days after being mailed, if mailed, by first class, registered or certified mail, postage prepaid, to the address or telecopy number set forth below. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such day. Such notices, demands, requests, consents and other communications shall be sent to the following Persons at the following addresses.

(i) if to a Management Shareholder, at his address set forth on the signature pages hereto;

(ii) if to Apollo, to:

Apollo Medical Holdings, Inc.
700 N. Brand Blvd., Suite 220
Glendale, California 91203
Attention: Chief Financial Officer
Telephone: (818) 396-8050
Fax: (818) 844-3888

(iii) if to the Investor, to:

NNA of Nevada, Inc.
920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith
Telephone: (781) 699-2668/(781) 699-9165
Fax: (781) 699-9756

Any Management Shareholder, Apollo or the Investor may, by notice given hereunder, designate any further or different addresses or telecopy numbers to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or Persons to whose attention the same shall be directed.

16. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which, together shall constitute but one and the same instrument.

17. Captions. The captions to the various sections and subsections of this Agreement have been inserted for convenience only and shall not limit or affect any of the terms hereof.

18. Termination. This Agreement shall terminate without any further action upon Investor's failure to satisfy the Requisite Holder Condition.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereof.

MANAGEMENT SHAREHOLDERS:

By: /s/ Warren Hosseinion
Warren Hosseinion, M.D.

Notice Address:

By: */s/ Adrian Vazquez*
Adrian Vazquez, M.D.

Notice Address:

APOLLO:

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis

Name: Kyle Francis

Title: CFO

INVESTOR:

NNA OF NEVADA, INC.

By: /s/ Mark Fawcett

Name: Mark Fawcett

Title: Vice President and Treasurer

Signature Page to Shareholders' Agreement (3 of 3)

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of March 28, 2014, by and among Apollo Medical Holdings, Inc., a Delaware corporation (the "Company"), and NNA of Nevada, Inc., a Nevada corporation ("Purchaser").

BACKGROUND STATEMENT

This Agreement is made pursuant to the Investment Agreement, dated as of the date hereof between Company and Purchaser (the "Investment Agreement").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in order to induce Purchaser to enter into the Investment Agreement, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Investment Agreement. As used in this Agreement, the following terms shall have the following respective meanings:

"Advice" shall have the meaning set forth in **Section 6(d)**.

"Affiliate" means, as to any Person, (i) any other Person which directly, or indirectly through one or more intermediaries, controls such Person or is consolidated with such Person in accordance with GAAP, (ii) any other Person which directly, or indirectly through one or more intermediaries, is controlled by or is under common control with such Person, or (iii) any other Person of which such Person owns, directly or indirectly, ten percent (10%) or more of the common stock or equivalent equity interests. As used herein, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or otherwise.

"Agreement" shall have the meaning set forth in the Preamble.

"Allowable Grace Period" shall have the meaning set forth in **Section 2(e)**.

"Availability Date" shall have the meaning set forth in **Section 3(m)**.

"Business Day" means any day of the year on which banks are open for business in Waltham, Massachusetts.

"Commission" means the Securities and Exchange Commission.

"Company" shall have the meaning set forth in the Preamble.

"Effective Date" means the date that the Registration Statement filed pursuant to **Section 2(a)** is first declared effective by the Commission.

"Effectiveness Target" means, with respect to the Initial Registration Statement or the New Registration Statement, the earlier of (i) the 540th calendar day following the Closing Date and (ii) the 5th Trading Day after the date the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review; provided, that if the Effectiveness Target falls on a Saturday, Sunday or other day that the Commission is closed for business, the Effectiveness Target shall be extended to the next Business Day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in **Section 2(b)**.

"Filing Deadline" means, with respect to the Initial Registration Statement required to be filed pursuant to **Section 2(a)**, the 365th calendar day following the Closing Date, provided, that if the Filing Deadline falls on a Saturday, Sunday or other day that the Commission is closed for business, the Filing Deadline shall be extended to the next business day on which the Commission is open for business.

"FINRA" shall have the meaning set forth in **Section 3(i)**.

"Grace Period" shall have the meaning set forth in **Section 2(e)**.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in **Section 5(c)**.

"Indemnifying Party" shall have the meaning set forth in **Section 5(c)**.

"Initial Registration Statement" means the initial Registration Statement filed pursuant to **Section 2(a)** of this Agreement.

"Investment Agreement" shall have the meaning set forth in the Recitals.

"Liquidated Damages" shall have the meaning set forth in **Section 2(c)**.

"Losses" shall have the meaning set forth in **Section 5(a)**.

"New Registration Statement" shall have the meaning set forth in **Section 2(a)**.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Registrable Securities" means (1) any Conversion Shares issued by the Company upon conversion of the Convertible Note, (2) any Purchase Shares, (3) any Warrant Shares issued by the Company upon exercise of the Warrants, and (4) any additional shares of Common Stock or other equity securities of the Company issued by the Company in respect of Conversion Shares or Warrant Shares described in subclause (1), (2) or (3) after the issuance of such Conversion Shares, Purchase Shares or Warrant Shares, as applicable, in connection with a stock dividend, stock split, combination, exchange, reorganization, recapitalization or similar reclassification of the Company's securities or otherwise pursuant to the terms of the Transaction Documents; provided, that, as to any particular Registrable Securities, such securities shall cease to constitute Registrable Securities when: (x) a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of thereunder; (y) such securities shall have been sold in satisfaction of all applicable conditions to the resale provisions of Rule 144 under the Securities Act (or any similar provision then in force); or (z) such securities shall have ceased to be issued and outstanding.

"Registration Statements" means any one or more registration statements of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement (including without limitation the Initial Registration Statement, the New Registration Statement and any Remainder Registration Statements), amendments and supplements to such Registration Statements, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statements.

"Remainder Registration Statement" shall have the meaning set forth in **Section 2(a)**.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"SEC Guidance" means (i) any publicly-available written or oral guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

"Selling Shareholder Questionnaire" means a questionnaire in the form attached as Annex B hereto, or such other form of questionnaire as may reasonably be adopted by the Company from time to time.

"Trading Market" means whichever of the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTCQB or other exchange, trading market or quotation system on which the Common Stock is listed or quoted for trading on the date in question.

2. Registration.

(a) On or prior to the Filing Deadline, the Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 or, if Rule 415 is not available for offers and sales of the Registrable Securities, by such other means of distribution of Registrable Securities as the Company may reasonably determine (the "Initial Registration Statement"). The Initial Registration Statement shall be on Form S-3 (except if the Company is then ineligible to register for resale of the Registrable Securities on Form S-3, then the Initial Registration Statement shall be on Form S-1) subject to the provisions of **Section 2(f)** and shall contain (unless otherwise directed by at least 85% in interest of the Holders or unless otherwise required pursuant to (i) written comments received from the Commission upon a review of such Registration Statement or (ii) a change in SEC Guidance) the "Plan of Distribution" section substantially in the form attached hereto as Annex A. Subject to such other limitations as specified in this Agreement, the Company shall have the right to include its equity securities that are not Registrable Securities, including a primary offering of equity securities by the Company for its own account or a secondary offering of equity securities owned by the Company's directors and officers, in any such Registration Statement. Notwithstanding the registration obligations set forth in this **Section 2**, in the event the Commission informs the Company that all of the Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale as a secondary offering on a single registration statement, the Company agrees to promptly (i) inform each of the Holders thereof and use its commercially reasonable efforts to file amendments to the Initial Registration Statement as required by the Commission, (ii) remove any and all securities that are not Registrable Securities from such Initial Registration Statement and/or (iii) withdraw the Initial Registration Statement and file a new registration statement (a "New Registration Statement"), in either case covering the maximum number of Registrable Securities permitted to be registered by the Commission, on Form S-1 or such other form available to the Company to register for resale the Registrable Securities as a secondary offering; provided, that prior to filing such amendment or New Registration Statement, the Company shall be obligated to use its commercially reasonable efforts to advocate with the Commission for the registration of all of the Registrable Securities in accordance with the SEC Guidance, including without limitation, Securities Act Rules Compliance and Disclosure Interpretation 612.09. Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation of the number of Registrable Securities or other shares of Common Stock permitted to be registered on a particular Registration Statement as a secondary offering (and notwithstanding that the Company used commercial reasonable efforts to advocate with the Commission for the registration of all or a greater number of Registrable Securities), the number of Registrable Securities or other shares of Common Stock to be registered on such Registration Statement will be reduced, if applicable, first, by eliminating any securities other than Registrable Securities included in such Registration Statement and thereafter, on a pro rata basis between the Holders as follows: first, the Company shall reduce the Registrable Securities represented by the Warrant Shares; second, the Company shall reduce the Registrable Securities represented by the Conversion Shares; and third, the Company shall reduce the Registrable Securities represented by the Purchase Shares. In the event the Company amends the Initial Registration Statement or files a New Registration Statement, as the case may be, under clauses (i) or (ii) above, the Company will use its commercially reasonable efforts to file with the Commission, as promptly as allowed by Commission or SEC Guidance provided to the Company or to registrants of securities in general, one or more registration statements on Form S-3 or such other form available to the Company to register for resale those Registrable Securities that were not registered for resale on the Initial Registration Statement, as amended, or the New Registration Statement (the "Remainder Registration Statements"). No Holder shall be named as an "underwriter" in any Registration Statement without such Holder's prior written consent.

(b) The Company shall use its commercially reasonable best efforts to cause each Registration Statement to be declared effective by the Commission as soon as practicable and, with respect to the Initial Registration Statement or the New Registration Statement, as applicable, by the Effectiveness Target (and will continue to use commercially reasonable best efforts thereafter if the applicable Registration Statement is not effective by such date), and shall use its commercially reasonable efforts to keep each Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders or (ii) the date that all Registrable Securities covered by such Registration Statement may be sold by Holders as non-affiliates of the Company without volume or manner of sale restrictions under Rule 144, and without the requirement for the Company to be in compliance with the current public information requirements under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent and the affected Holders (the "Effectiveness Period"). The Company shall request effectiveness of a Registration Statement as of 5:00 p.m., New York City time, on a Trading Day. The Company shall promptly notify the Holders via facsimile or electronic mail of a ".pdf" format data file of the effectiveness of a Registration Statement within one (1) Business Day of the Effective Date. The Company shall, by 9:30 a.m., New York City time, on the first Trading Day after the Effective Date, file a final Prospectus with the Commission, as required by Rule 424(b).

(c) If the Initial Registration Statement is not filed with the Commission on or prior to the Filing Deadline, then in addition to any other rights the Holders may have hereunder or under applicable law, on the date that is the Filing Deadline and on each monthly anniversary of the Filing Deadline until the Initial Registration Statement is filed with the Commission, the Company shall pay to each Holder an amount in Common Stock based upon its then Fair Market Value, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to 1.50% of the aggregate purchase price paid or to be paid by such Holderfor the Registrable Securities, which purchase price shall include amounts paid or to be paid by Holder under the Investment Agreement, the Conversion Price (as defined in the Convertible Note) for any such Registrable Securities and the Warrant Exercise Price (as defined in the Warrants) for any such Registrable Securities, in each case held by such Holder on the Filing Deadline. The parties agree that notwithstanding anything to the contrary herein or in the Investment Agreement, no Liquidated Damages shall be payable (i) if as of the Filing Deadline, the Registrable Securities may be sold by Holders as non-affiliates of the Company without volume or manner of sale restrictions under Rule 144 and the Company is in compliance with the current public information requirements under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Company's transfer agent, (ii) to a Holder causing the Company to miss the Filing Deadline, or (iii) with respect to any period after the expiration of the Effectiveness Period (it being understood that this clause shall not relieve the Company of any Liquidated Damages accruing prior to the expiration of the Effectiveness Period). If the Company fails to issue any Common Stock in order to pay any Liquidated Damages pursuant to this **Section 2(c)** in full within ten (10) Business Days after the date payable, the Company will pay interest by issuing any Common Stock thereon at a rate of 1.0% per month (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such Liquidated Damages are due until such amounts, plus all such interest thereon, are paid in full. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of the Company's filing of the Initial Registration Statement, except in the case of the Filing Deadline. With respect to a Purchaser, the Effectiveness Target for a Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of such Purchaser to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which case the Effectiveness Target would be extended with respect to Registrable Securities held by such Purchaser).

(d) Each Holder agrees to furnish to the Company a completed Selling Shareholder Questionnaire not more than ten (10) Trading Days following the date of the Company's written request therefor. At least five (5) Trading Days prior to the first anticipated filing date of a Registration Statement for any registration under this Agreement, the Company will notify each Holder of the information the Company requires from that Holder other than the information contained in the Selling Shareholder Questionnaire, if any, which shall be completed and delivered to the Company promptly upon request and, in any event, within two (2) Trading Days prior to the applicable anticipated filing date. Each Holder further agrees that it shall not be entitled to be named as a selling security holder in the Registration Statement or use the Prospectus for offers and resales of Registrable Securities at any time, unless such Holder has returned to the Company a completed and signed Selling Shareholder Questionnaire and a response to any requests for further information as described in the previous sentence. If a Holder of Registrable Securities returns a Selling Shareholder Questionnaire or a request for further information, in either case, after its respective deadline, the Company shall use its commercially reasonable efforts at the expense of the Holder who failed to return the Selling Shareholder Questionnaire or to respond for further information to take such actions as are required to name such Holder as a selling security holder in the Registration Statement or any pre-effective or post-effective amendment thereto and to include (to the extent not theretofore included) in the Registration Statement the Registrable Securities identified in such late Selling Shareholder Questionnaire or request for further information. Each Holder acknowledges and agrees that the information in the Selling Shareholder Questionnaire or request for further information as described in this **Section 2(d)** will be used by the Company in the preparation of the Registration Statement and hereby consents to the inclusion of such information in the Registration Statement.

(e) Notwithstanding anything to the contrary herein, at any time after the Registration Statement has been declared effective by the Commission, the Company may delay the disclosure of material non-public information concerning the Company if the disclosure of such information at the time is not, in the good faith judgment of the Company, in the best interests of the Company (such delay, a "Grace Period"); provided, the Company shall promptly (i) notify the Holders in writing of the existence of material non-public information giving rise to a Grace Period (provided that the Company shall not disclose the content of such material non-public information to the Holders) or the need to file a post-effective amendment, as applicable, and the date on which such Grace Period will begin, (ii) use commercially reasonable best efforts to terminate a Grace Period as promptly as reasonably practicable, unless doing so would reasonably be expected to have a material adverse effect on the Company with respect to any proposal or plan of the Company to effect a merger, acquisition, disposition, financing, reorganization, recapitalization or similar transaction or any negotiations, discussions or pending proposals with respect thereto, and (iii) notify the Holders in writing of the date on which the Grace Period ends; provided, further, that no single Grace Period shall exceed seventy five (75) consecutive days, and during any three hundred sixty-five (365) day period, the aggregate of all Grace Periods shall not exceed an aggregate of one hundred fifty (150) days (each Grace Period complying with this provision being an "Allowable Grace Period"). For purposes of determining the length of a Grace Period, the Grace Period shall be deemed to begin on and include the date the Holders receive the notice referred to in clause (i) above and shall end on and include the later of the date the Holders receive the notice referred to in clause (iii) above and the date referred to in such notice; provided, that no Grace Period shall be longer than an Allowable Grace Period. Notwithstanding anything to the contrary, the Company shall cause its transfer agent to deliver unlegended Common Stock to a transferee of a Holder in accordance with the terms of the Investment Agreement in connection with any sale of Registrable Securities with respect to which a Holder has entered into an irrevocable contract for sale prior to the Holder's receipt of the notice of a Grace Period and for which the Holder has not yet settled.

(f) The Company shall (i) use commercially reasonable efforts to register the resale of the Registrable Securities on an appropriate form and (ii) undertake to use commercially reasonable efforts to register the Registrable Securities on Form S-3 promptly after such form is available, provided that the Company shall use commercially reasonable efforts to maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form S-3 covering the Registrable Securities has been declared effective by the Commission.

3. Registration Procedures

In connection with the Company's registration obligations hereunder:

(a) the Company shall not less than three (3) Trading Days prior to the filing of a Registration Statement and not less than two (2) Trading Days prior to the filing of any related Prospectus or any amendment or supplement thereto (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and any similar or successor reports), furnish to the Holder copies of such Registration Statement, Prospectus or amendment or supplement thereto, as proposed to be filed, which documents will be subject to the reasonable review of such Holder (it being acknowledged and agreed that if a Holder does not object to or comment on the aforementioned documents within such three (3) Trading Day or two (2) Trading Day period, as the case may be, then the Holder shall be deemed to have consented to and approved the use of such documents). The Company shall not file any Registration Statement or amendment or supplement thereto (except for Annual Reports on Form 10-K, Quarterly reports on Form 10-Q and Current Reports on form 8-K and any similar or successor reports) in a form to which a Holder reasonably objects in good faith, provided that, the Company is notified of such objection in writing within the three (3) Trading Day or two (2) Trading Day period described above, as applicable.

(b) (i) the Company shall prepare and file with the Commission such amendments, including post-effective amendments and supplements, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period (except during an Allowable Grace Period); (ii) the Company shall cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and, as so supplemented or amended, to be filed pursuant to Rule 424 (except during an Allowable Grace Period); (iii) the Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible, provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as "Selling securityholders" but not any comments that would result in the disclosure to the Holders of material and non-public information concerning the Company; and (iv) the Company shall comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by a Registration Statement until such time as all of such Registrable Securities shall have been disposed of (subject to the terms of this Agreement) in accordance with the intended methods of disposition by the Holders thereof as set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; provided, that Purchaser shall be responsible for the delivery of the Prospectus to the Persons to whom such Purchaser sells any of the Registrable Securities (including in accordance with Rule 172 under the Securities Act), and Purchaser agrees to dispose of Registrable Securities in compliance with the plan of distribution described in the Registration Statement and otherwise in compliance with applicable federal and state securities laws. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this **Section 3(b)**) by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement, if applicable, or shall file such amendments or supplements with the Commission as soon as reasonably practicable after the Exchange Act report which created the requirement for the Company to amend or supplement such Registration Statement was filed.

(c) subject to **Section 2(d)**, the Company shall notify the Holders (which notice shall, pursuant to clauses (iii) through (v) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made, but which notice shall not contain any material non-public information regarding the Company other than to the extent such notice itself and instructions the Company is required to provide under this **Section 3(c)** may constitute material non-public information) as promptly as reasonably practicable (and, in the case of (i)(A) below, not less than two (2) Trading Days prior to such filing, in the case of (iii) and (iv) below, not more than one (1) Trading Day after such issuance or receipt, and in the case of (v) below, not more than one (1) Trading Day after the occurrence or discovery of such development) and (if requested by any such Holder) confirm such notice in writing no later than one (1) Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed (other than any amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act); (B) when the Commission notifies the Company whether there will be a "review" of any Registration Statement and whenever the Commission comments in writing on any Registration Statement (in which case the Company shall provide to each of the Holders true and complete copies of all comments that pertain to the Holders as a "Selling Shareholder" or to the "Plan of Distribution" and all written responses thereto, but not information that the Company believes would constitute material and non-public information); and (C) with respect to each Registration Statement or any post-effective amendment (other than any amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement by reason of the Company filing a report on Form 10-K, Form 10-Q or Form 8-K or any analogous report under the Exchange Act), when the same has become effective; (ii) of any written request by the Commission or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information that pertains to the Holders as "Selling securityholders" or the "Plan of Distribution"; (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event that makes the financial statements included in a Registration Statement ineligible for inclusion therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d) the Company shall use commercially reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as soon as practicable.

(e) the Company shall, if requested by a Holder, furnish to such Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company may provide a link to, and shall have no obligation to provide a physical copy of, any such document that is available on the Commission's EDGAR or successor system.

(f) the Company shall, prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified, subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(g) the Company shall, reasonably cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Investment Agreement and under law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may reasonably request. Certificates for Registrable Securities free from all restrictive legends may be transmitted by the transfer agent to a Holder by crediting the account of such Holder's prime broker with DTC as directed by such Holder.

(h) subject to **Section 2(d)**, the Company shall following the occurrence of any event contemplated by **Section 3(c)(iii)-(v)**, as promptly as reasonably practicable (taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event), prepare and file a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(i) the Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of Securities beneficially owned by such Holder and any Affiliate thereof, (ii) any Financial Industry Regulatory Authority ("FINRA") affiliations, (iii) any natural persons who have the power to vote or dispose of the Common Stock and (iv) any other information as may be requested by the Commission, FINRA, any state securities commission or any other government or regulatory body with jurisdiction over the Company or its activities.

(j) the Company shall cooperate with any registered broker through which a Holder proposes to resell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by any such Holder and the Company shall pay the filing fee required for the first such filing (but not additional filings) within two (2) Business Days of the request therefore.

(k) as and when Form S-3 is available to the Company, the Company shall use its commercially reasonable efforts to maintain or achieve eligibility for use of Form S-3 (or any successor form thereto) for the registration of the resale of Registrable Securities.

(l) if requested by a Holder, the Company shall (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees (upon advice of counsel) should be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as reasonably practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(m) the Company shall otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission under the Securities Act and the Exchange Act, including Rule 172, notify the Holders promptly if the Company no longer satisfies the conditions of Rule 172 and take such other actions as may be reasonably necessary to facilitate the registration of the Registrable Securities hereunder; and make available to its security holders, as soon as reasonably practicable, but not later than the Availability Date (as defined below), an earnings statement covering a period of at least twelve (12) months, beginning after the effective date of each Registration Statement, which earning statement shall satisfy the provisions of Section 11(a) of the Securities Act, including Rule 158 promulgated thereunder (for the purpose of this **Section 3**, "Availability Date" means the 45th day following the end of the fourth fiscal quarter that includes the effective date of such Registration Statement, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the 90th day after the end of such fourth fiscal quarter), in each case subject to extensions permissible under applicable law.

(n) if at least 85% in interest of the Holders so request by notice to the Company to sell Registrable Securities pursuant to an underwritten offering, the Company shall enter into a written underwriting agreement in customary form and substance with the managing underwriter(s) selected by such requesting Holders, provided that such managing underwriter(s), shall be reasonably acceptable to the Company, and shall take any and all such actions and furnish and provide all such information, documents and undertakings to such managing underwriter(s) in connection with such underwritten offering as is customary in connection with such underwritten offerings, and provided further, that the Company and Holders agree to be bound by such agreements and provisions as are customary in underwriting agreements of the type to be entered in connection with the sale of Registrable Securities contemplated by such underwritten offering.

(o) if the managing underwriter(s) of a proposed underwritten offering of Registrable Securities effected pursuant to**Section 2** advise the Holders requesting to sell Registrable Securities in such underwritten offering in writing that, in their opinion, the number of securities requested to be included in such offering exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Registration Statement (i) first, shall be allocated, pro rata if necessary, among the Holders that have requested to sell Registrable Securities in such underwritten offering, (ii) second, and only if all the securities referred to in clause (i) have been included in such Registration Statement, shall be allocated to any shares that the Company has requested to sell in such underwritten offering; and (iii) third, and only if all the securities referred to in clauses (i) and (ii) have been included in such Registration Statement, shall be allocated pro rata among the officers and directors of the Company that have requested to sell in such underwritten offering;

(p) if the managing underwriter(s) of a proposed underwritten offering of securities effected pursuant to **Section 6(e)** advise the Company in writing that, in their opinion, the number of securities requested to be included in such offering exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Registration Statement (i) first, shall be allocated to any shares that the Company has requested to sell in such underwritten offering, (ii) second, and only if all the securities referred to in clause (i) have been included in such Registration Statement, shall be allocated, pro rata if necessary, among Holders of Registrable Securities that have requested to sell in such underwritten offering, and (iii) third, and only if all the securities referred to in clauses (i) and (ii) have been included in such Registration Statement, shall be allocated pro rata among the holders of all other securities that have requested to sell in such underwritten offering.

4 . Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the Commission and any Trading Market on which the Common Stock is then listed for trading, (B) with respect to compliance with applicable state securities or Blue Sky laws (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders) and (C) if not previously paid by the Company in connection with an issuer filing, with respect to any filing that may be required to be made by any broker through which a Holder intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses of the Company, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any underwriting, broker or similar fees, discounts or commissions or stock transfer taxes applicable to any Registered Securities registered by any Holder or, except to the extent provided for in the Transaction Documents, any legal fees or other costs of the Holders. Within ten (10) Trading Days of written notice from the Company, the Holders shall reimburse the Company for all fees and expenses it incurs hereunder that are otherwise the responsibility of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify, defend and hold harmless each Holder, the officers, directors, agents, brokers, general partners, managing members, managers, Affiliates, employees and investment advisers of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, general partners, managing members, managers, agents, employees and investment advisers of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable and documented attorneys' fees) and expenses (collectively, "Losses"), as incurred, that arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, or (ii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based solely upon information regarding such Holder or its Purchaser Director furnished in writing to the Company by such Holder or its Purchaser Director expressly for use therein, or to the extent that such information relates to such Holder or its Purchaser Director or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A hereto for this purpose), or (B) in the case of an occurrence of an event of the type specified in **Section 3(c)(iii)-(v)**, related to the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing or electronic mail that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated and defined in **Section 6(d)** below, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in **Section 5(c)**) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising out of or are based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statements or omissions are based solely upon information regarding such Holder or its Purchaser Director furnished in writing to the Company by such Holder or its Purchaser Director expressly for use therein or (ii) to the extent, but only to the extent, that such information relates to such Holder or its Purchaser Director or such Holder's proposed method of distribution of Registrable Securities and was reviewed and approved by such Holder expressly for use in a Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in **Section 3(c)(iii)-(v)**, to the extent, but only to the extent, related to the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in **Section 6(d)**, but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of one counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable and documented fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such written notice within a reasonable time of commencement of any such Proceeding shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have materially and adversely prejudiced the Indemnifying Party in its ability to defend such Proceeding.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest exists if the same counsel were to represent such Indemnified Party and the Indemnifying Party; provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or unreasonably conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

Subject to the terms of this Agreement, all documented fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this **Section 5(c))** shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party; provided, that the Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is finally judicially determined to not be entitled to indemnification hereunder.

(d) Contribution. If a claim for indemnification under **Section 5(a)** or **5(b)** is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this **Section 5(d)** was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this **Section 5(d)** were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this **Section 5(d)**, no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this **Section 5** are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Investment Agreement.

6. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Prohibition on Filing Other Registration Statements. The Company shall not, from the date hereof until the date that is the later of (x) 60 days after the Effective Date of any Registration Statement filed pursuant to this Agreement or (y) in the case of any Registration Statement through which the Holders propose to conduct an underwritten offering of Registrable Securities, the expiration of any applicable lock-up or restricted period imposed by the managing underwriter(s) for such proposed underwritten offering, prepare and file with the Commission a registration statement relating to an offering for its own account or for the account of its stockholders (other than the Holders pursuant hereto) under the Securities Act of any of its equity securities, other than (i) a registration statement on Form S-8, (ii) in connection with an acquisition or similar transaction, on Form S-4, or (iii) a registration statement to register for resale securities issued by the Company pursuant to acquisitions or similar transaction or strategic transactions approved by a majority of the disinterested directors of the Company, provided that any such issuance shall only be to a Person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(d) Discontinued Disposition. By its acquisition of Registrable Securities, each Holder agrees that, during any Grace Period and upon receipt of a notice from the Company of the occurrence of any event of the kind described in **Section 3(c) (iii)-(v)**, such Holder will forthwith discontinue disposition of such Registrable Securities under a Registration Statement until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus (as it may have been supplemented or amended) may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(e) Holder Piggyback Rights. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to each Holder a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, at least 85% in interest of the Holders so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holders request to be registered; provided, however, that the Company shall not be required to register any Registrable Securities pursuant to this **Section 6(e)** that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement.

(f) No Inconsistent Agreements. Neither the Company nor any of its Subsidiaries has entered, as of the date hereof, nor shall the Company or any of its Subsidiaries, on or after the date hereof, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(g) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, or waived unless the same shall be in writing and signed by the Company and Holders holding at least two-thirds of the then outstanding Registrable Securities, provided that any party may give a waiver as to itself. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders and that does not directly or indirectly affect the rights of other Holders may be given by Holders of all of the Registrable Securities to which such waiver or consent relates; provided, that the provisions of this sentence may not be amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence. Notwithstanding the foregoing, if any such amendment, modification or waiver would adversely affect in any material respect any Holder or group of Holders who have comparable rights under this Agreement disproportionately to the other Holders having such comparable rights, such amendment, modification, or waiver shall also require the written consent of the Holder(s) so adversely affected.

(h) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Investment Agreement; provided that the Company may deliver to each Holder the documents required to be delivered to such Holder under **Section 3(a)** of this Agreement by e-mail to the e-mail addresses provided by such Holder to the Company solely for such specific purpose.

(i) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. The Company may not assign its rights (except by merger or in connection with another entity acquiring all or substantially all of the Company's assets) or obligations hereunder without the prior written consent of all the Holders of the then outstanding Registrable Securities. Each Holder may assign its respective rights hereunder with respect to all, but not less than all, of the Registrable Securities then owned by such Holder in the manner and to the Persons as permitted under the Investment Agreement.

(j) Execution and Counterparts. This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature were the original thereof.

(k) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Investment Agreement.

(l) Cumulative Remedies. Except as provided in **Section 2(c)** with respect to Liquidated Damages, the remedies provided herein are cumulative and not exclusive of any other remedies provided by law.

(m) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their good faith reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(n) Headings. The headings in this Agreement are for convenience only and shall not limit or otherwise affect the meaning hereof.

(o) Independent Nature of Holders' Obligations and Rights. If and to the extent there is more than one Holder under this Agreement, the obligations of each Holder hereunder shall be several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Holders are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Holders are not acting in concert or as a group, and the Company shall not asset any such claim, with respect to such obligations or transactions. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Holder, solely, and not between the Company and the Holders collectively and not between and among Holders.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first above written.

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Kyle Francis
Name: Kyle Francis
Title: CFO

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK,
SIGNATURE PAGES OF NNA OF NEVADA, INC. TO FOLLOW]

NNA OF NEVADA, INC.

AUTHORIZED SIGNATORY

By: /s/ Mark Fawcett
Name: Mark Fawcett
Title: Vice President and Treasurer

ADDRESS FOR NOTICE

920 Winter Street
Waltham, Massachusetts 02451
Attention: Mark Fawcett/Christine Smith

Tel: (781) 699-2668/(781) 699-9165
Fax: (781) 699-9756
E-mail: mark.fawcett@fmc-na.com/
christine.smith@fmcna.com

PLAN OF DISTRIBUTION

We are registering the Securities issued to the selling securityholders to permit the resale of these Securities by the holders of the Securities from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling securityholders of the Securities. We will bear all fees and expenses incident to our obligation to register the Securities.

The selling securityholders and any of their pledges, assignees or successors in interest may sell all or a portion of the Securities beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the Securities are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. The Securities may be sold on the OTCQB marketplace, any other over-the-counter market, any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, or in transactions otherwise than on these markets, exchanges or systems and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions. The selling securityholders may use any one or more of the following methods when selling Securities:

- ☐ ordinary brokerage transactions and transactions in which the broker-dealer solicits purchaser;
- ☐ block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- ☐ purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- ☐ an exchange distribution in accordance with the rules of the applicable exchange;
- ☐ privately negotiated transactions;
- ☐ settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- ☐ broker-dealers may agree with the selling securityholders to sell a specified number of such securities at a stipulated price per share;
- ☐ through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- ☐ a combination of any such methods of sale;
- ☐ any other method permitted pursuant to applicable law.

The selling securityholders also may resell all or a portion of the Securities in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(a)(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling securityholders may arrange for other broker-dealers to participate in sales. If the selling securityholders effect such transactions by selling Securities to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of the Securities for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with NASD Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASD Rule IM-2440.

In connection with sales of the Securities or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Securities in the course of hedging in positions they assume. The selling securityholders may also sell Securities short and if such short sale shall take place after the date that this Registration Statement is declared effective by the Commission, the selling securityholders may deliver Securities covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling securityholders may also loan or pledge Securities to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling securityholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling securityholders may, from time to time, pledge or grant a security interest in some or all of the Securities owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Securities from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933, as amended, amending, if necessary, the list of selling securityholders to include the pledgee, transferee or other successors in interest as selling securityholders under this prospectus. The selling securityholders also may transfer and donate the Securities in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

Any underwriters, broker-dealer or agents participating in the distribution of the Securities may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act in connection with such sales. In such event, any commissions paid, or any discounts or concessions allowed to, any such broker-dealer or agent and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. To the extent that any of the selling securityholders are deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act, such selling securityholders will be subject to the applicable prospectus delivery requirements of the Securities Act and may be subject to certain statutory liabilities of, including but not limited to, Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Each selling securityholder has informed the Company that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Securities. Upon the Company being notified in writing by a selling shareholder that any material arrangement has been entered into with a broker-dealer for the sale of Securities through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed by the Company, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling shareholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such Securities were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In no event shall any broker-dealer receive fees, commissions and markups, which, in the aggregate, would exceed eight percent (8%).

Under the securities laws of some states, the Securities may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the Securities may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling securityholder will sell any or all of the Securities registered pursuant to the shelf registration statement, of which this prospectus forms a part.

Each selling securityholder and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, including, without limitation, to the extent applicable, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the Securities by the selling securityholder and any other participating person. To the extent applicable, Regulation M may also restrict the ability of any person engaged in the distribution of the Securities to engage in market-making activities with respect to the Securities. All of the foregoing may affect the marketability of the Securities and the ability of any person or entity to engage in market-making activities with respect to the Securities.

We will pay all expenses of the registration of the Securities pursuant to the registration rights agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; provided, that each selling securityholder will pay all underwriting fees and discounts and selling commissions, if any and any related legal expenses incurred by it. We have agreed to indemnify or provide contribution to the selling securityholders against certain liabilities, including some liabilities under the Securities Act, in accordance with the registration rights agreement. The selling securityholders have agreed to indemnify us or provide contribution against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling securityholders or certain of their affiliates specifically for use in this prospectus, in accordance with the registration rights agreement.

APOLLO MEDICAL HOLDINGS, INC.

SELLING SHAREHOLDER NOTICE AND QUESTIONNAIRE

The undersigned holder of securities of Apollo Medical Holdings, Inc., a Delaware corporation (the "Company"), issued pursuant to a certain Investment Agreement by and among the Company and the Purchaser named therein, dated as of March 28, 2014, understands that the Company intends to file with the Securities and Exchange Commission a registration statement on Form S-__ (the "Resale Registration Statement") for the registration and the resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities in accordance with the terms of a certain Registration Rights Agreement by and among the Company and NNA of Nevada, Inc., dated as of March 28, 2014 (the "Agreement"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

In order to sell or otherwise dispose of any Registrable Securities pursuant to the Resale Registration Statement, a holder of Registrable Securities generally will be required to be named as a selling shareholder in the related prospectus or a supplement thereto (as so supplemented, the "Prospectus"), deliver the Prospectus to purchasers of Registrable Securities (including pursuant to Rule 172 under the Securities Act) and be bound by the provisions of the Agreement (including certain indemnification provisions, as described below). Holders must complete and deliver this Notice and Questionnaire in order to be named as selling securityholders in the Prospectus. Holders of Registrable Securities who do not complete, execute and return this Notice and Questionnaire within ten (10) Trading Days following the date of the Agreement (1) will not be named as selling securityholders in the Resale Registration Statement or the Prospectus and (2) may not use the Prospectus for resales of Registrable Securities.

Certain legal consequences arise from being named as a selling shareholder in the Resale Registration Statement and the Prospectus. Holders of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not named as a selling shareholder in the Resale Registration Statement and the Prospectus.

NOTICE

The undersigned holder (the "Selling Shareholder") of Registrable Securities hereby gives notice to the Company of its intention to sell or otherwise dispose of Registrable Securities owned by it and listed below in Item (3), unless otherwise specified in Item (3), pursuant to the Resale Registration Statement. The undersigned, by signing and returning this Notice and Questionnaire, understands and agrees that it will be bound by the terms and conditions of this Notice and Questionnaire and the Agreement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Shareholder:

_____

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities Listed in Item 3 below are held:

_____

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by the questionnaire):

_____

2. Address for Notices to Selling Shareholder:

_____
_____
_____

Telephone: _____

Fax: _____

Contact Person: _____

E-mail address of Contact Person:_____

3. Beneficial Ownership of Registrable Securities Issuable Pursuant to the Investment Agreement:

(a) Type and Number of Registrable Securities beneficially owned and issued pursuant to the Agreement:

_____
_____
_____

(b) Number of shares of Securities to be registered pursuant to this Notice for resale:

_____
_____
_____

4. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to Section 0(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If no, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

Note: If yes, provide a narrative explanation below:

_____

_____

(c) If you are an affiliate of a broker-dealer, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If no, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

5. Beneficial Ownership of Other Securities of the Company Owned by the Selling Shareholder.

Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company other than the Registrable Securities listed above in Item 3.

Type and amount of other securities beneficially owned:

_____

_____

6. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions here:

_____

_____

7. Plan of Distribution:

The undersigned has reviewed the form of Plan of Distribution attached as Annex A to the Registration Rights Agreement, and hereby confirms that, except as set forth below, the information contained therein regarding the undersigned and its plan of distribution is correct and complete.

State any exceptions here:

_____

_____

****

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items (1) through (7) above and the inclusion of such information in the Resale Registration Statement and the Prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of any such Registration Statement and the Prospectus.

I confirm that, to the best of my knowledge and belief, the foregoing statements (including without limitation the answers to this Questionnaire) are correct.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Beneficial Owner: _____

By: _____
Name:
Title: