

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 29, 2024

ASTRANA HEALTH, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37392
(Commission
File Number)

95-4472349
(I.R.S. Employer
Identification No.)

1668 S. Garfield Avenue, 2nd Floor, Alhambra, California 91801
(Address of Principal Executive Offices) (Zip Code)

(626) 282-0288
Registrant's Telephone Number, Including Area Code

(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ASTH	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

On November 7, 2023, Astrana Health, Inc. (the “Company”) filed a [Current Report on Form 8-K](#) reporting that it entered into an Asset and Equity Purchase Agreement (as amended, the “Purchase Agreement”) to acquire (i) all of the outstanding general and limited partnership interests of Advanced Health Management Systems, L.P. (“AHMS”) and (ii) substantially all the assets of Community Family Care Medical Group IPA, Inc. (“CFC”). Also on November 7, 2023, Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), a wholly-owned subsidiary of the Company, entered into a Stock Purchase Agreement (the “I Health Purchase Agreement”) to purchase 25% of the outstanding shares of common stock of I Health, Inc.

As previously announced in a [Current Report on Form 8-K](#) filed on February 2, 2024, on January 31, 2024, the first closing under the Purchase Agreement occurred, and the Company completed its acquisition of CFC’s assets pursuant to the terms of the Purchase Agreement. On March 31, 2024, the Company completed both the second closing under the Purchase Agreement, thus acquiring the outstanding general and limited partnership interests of AHMS, and the closing of the I Health Purchase Agreement.

In connection with the closing of the Purchase Agreement, the parties to the Purchase Agreement entered into Amendment No. 2 to the Purchase Agreement (the “CFC Amendment”) on March 29, 2024, which provided for minor modifications to the Purchase Agreement. In addition, in connection with the closing of the I Health Purchase Agreement, the parties to the I Health Purchase Agreement entered into Amendment No. 1 to the I Health Purchase Agreement (the “I Health Amendment” and, together with the CFC Amendment, the “Amendments”) on March 31, 2024, which amended the I Health Purchase Agreement by, among other things, adjusting the purchase price and providing for a contingent payment to I Health payable within 90 days of closing. The foregoing description of the Amendments does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Amendments, copies of which are filed as [Exhibit 10.1](#) and [Exhibit 10.2](#), respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Amendment No. 2 to Asset and Equity Purchase Agreement, dated as of March 29, 2024, by and among Metropolitan IPA, a California professional corporation, Astrana Health Enablement of CA LLC (f/k/a ApolloCare Enablement of CA, LLC), Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), Astrana Health, Inc. (f/k/a Apollo Medical Holdings, Inc.), Community Family Care Medical Group IPA, Inc., Advanced Health Management Systems, L.P., Accie M. Mitchell and Gloria C. Mitchell, as Co-Trustees of the Mitchell Family Trust dated July 2, 2003, CFC Management, LLC, the other parties thereto and Marc Mitchell, as the Equityholder Representative.
10.2*	Amendment No. 1 to Stock Purchase Agreement, dated as of March 31, 2024, by and among Astrana Health Management, Inc. (f/k/a Network Medical Management, Inc.), I Health, Inc., Ronald Brandt and Allison Brandt.
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document).

* Certain of the exhibits and schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

SIGNATURES

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

ASTRANA HEALTH, INC.

Date: April 2, 2024

By: /s/ Brandon Sim

Name: Brandon Sim

Title: Chief Executive Officer and President

AMENDMENT NO. 2
to
ASSET AND EQUITY PURCHASE AGREEMENT

THIS AMENDMENT (this "Amendment"), is entered into as of March 29, 2024, by and among METROPOLITAN IPA, a California professional corporation ("PC Buyer"); ASTRANA HEALTH ENABLEMENT OF CA LLC, a California limited liability company ("MSO GP Buyer"); ASTRANA HEALTH MANAGEMENT, INC., a California corporation ("MSO LP Buyer") and, together with MSO GP Buyer, the "MSO Buyers" and together with PC Buyer, the "Buyers" and each a, "Buyer"; ASTRANA HEALTH, INC., a Delaware corporation the stock of which is publicly traded on the Nasdaq ("Buyer Parent" and together with Buyers, "Buyer Parties" and each, a "Buyer Party"); ACCIE M. MITCHELL, M.D., a California professional corporation ("CFC IPA"); ADVANCED HEALTH MANAGEMENT SYSTEMS, L.P., a California limited partnership ("AHMS" and together with the CFC IPA, the "Companies" and each, a "Company"); ACCIE M. MITCHELL AND GLORIA C. MITCHELL, AS CO-TRUSTEES OF THE MITCHELL FAMILY TRUST DATED JULY 2, 2003 ("IPA Equityholder"); ACCIE M. MITCHELL, M.D. ("IPA Beneficial Owner"); CFC MANAGEMENT, LLC, a California limited liability company and the general partner of AHMS ("AHMS General Partner"); the other limited partners of AHMS set forth in the signature page hereto (collectively, the "AHMS Limited Partners" and each, an "AHMS Limited Partner") (AHMS General Partner and the AHMS Limited Partners are referred to collectively herein as the "AHMS Equityholders" and together with the IPA Equityholder, the "Equityholders", and together with CFC IPA, the "Sellers"); and MARC MITCHELL, as an authorized representative of the Sellers ("Equityholder Representative"); and solely for purposes of Section 6.9, I Health, Inc., a California corporation ("I Health"). The Buyer Parties, the Companies, the Equityholders, and the Equityholder Representative are referred to collectively herein as the "Parties" and, each individually, as a "Party". Capitalized terms used and not defined elsewhere in this Amendment shall have the meanings given them in the Agreement.

WHEREAS, Buyer Parties, the Companies, the Equityholders, IPA Beneficial Owner, the Equityholder Representative and I Health are parties to that certain Asset and Equity Purchase Agreement (as amended, the "Agreement"), dated as of November 7, 2023; and

WHEREAS, pursuant to Section 12.7 of the Agreement, the Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto.

NOW, THEREFORE, in consideration of the premises, the mutual agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Section 1.4(b)(ii) (Purchase Price and Closing Payments At the Second Closing) shall be deleted in its entirety and replaced with the following:

"(ii) on behalf of the AHMS Equityholders, the applicable MSO Buyer shall deliver, by wire transfer of immediately available funds, Three Million and Four Hundred and Fifty Thousand Dollars (\$3,450,000.00) (the "AHMS Representative Fund" and together with the IPA Representative Fund, the "Equityholder Representative Fund") to the account(s) specified in the Closing Payments Schedule;"

Section 2. Section 8.6 of the Agreement is hereby amended as follows:

“8.6. Second Closing Conditions to Obligations of the Plan Companies and the AHMS Equityholders: “The obligations of the Plan Companies and the AHMS Equityholders to consummate the Transactions shall be subject to the fulfillment or the Equityholder Representative’s waiver, at or prior to the Second Closing, of each of the following conditions; **provided, that the condition in subsection (e) below shall be satisfied no later than the Next Business Day following the Second Closing Date:**”

Section 3. The following shall be added as Section 10.3.1 (Indemnification by the Buyer Parties) of the Agreement:

“Subject to the other terms and conditions of this Article 10, the Buyer Parties shall, jointly and severally, indemnify and defend CFC IPA against, and shall hold it harmless from and against, and shall pay and reimburse each of them for, any and all Damages incurred or sustained by, or imposed upon, CFC IPA based upon, arising out of, with respect to or by breach on or after the Second Closing Date by the Buyer Parties (including, after the Second Closing Date, AHMS, CFCH or CFCHP) of the Undertakings applicable to the Buyer Parties or the Plan Companies. For the avoidance of doubt, the foregoing will not be deemed to be any obligation of any Buyer Party (or after the Second Closing Date, AHMS, CFCH or CFCHP) with respect to CFC IPA’s (or its owners’) compliance with or failure to comply with applicable Law. For purposes hereof, “Undertakings” means the Department of Managed Health Care Undertakings to Notice of Material Modification eFile number 20234948, filed on December 13, 2023, executed by the parties on March 28, 2024.”

Section 4. Continuation of Agreement. As of and after the date hereof, each reference in the Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, “hereby” or words of like import referring to the Agreement shall mean and be a reference to the Agreement as amended by this Amendment. The Agreement, as amended hereby, shall continue in full force and effect. Except as expressly amended by this Amendment, the Agreement is hereby ratified and confirmed in all respects.

Section 5. Governing Law. This Amendment shall be governed in all respects in accordance with the provisions of Section 12.9 of the Agreement.

Section 6. Counterparts. This Amendment may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together will be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Amendment, facsimile signatures and electronically delivered signatures shall be deemed originals.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

BUYER PARTIES:

“PC Buyer”

METROPOLITAN IPA

By: /s/ Brandon Sim

Name: Brandon Sim

Title: Chief Executive Officer

“MSO LP Buyer”

ASTRANA HEALTH MANAGEMENT, INC.

By: /s/ Chandan Basho

Name: Chandan Basho

Title: Chief Financial Officer

“MSO GP Buyer”

ASTRANA HEALTH ENABLEMENT OF CA, LLC

By: /s/ Brandon Sim

Name: Brandon Sim

Title: Manager

“Buyer Parent”

APOLLO MEDICAL HOLDINGS, INC.

By: /s/ Brandon Sim

Name: Brandon Sim

Title: Chief Executive Officer

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

IN WITNESS WHEREOF, each Party has duly executed and delivered this Amendment as of the date first above written.

COMPANIES:

“CFC IPA”

Accie M. Mitchell, M.D., a California professional corporation (f/k/a Community Family Care Medical Group IPA)

By: /s/ Accie Mitchell

Name: Accie Mitchell, M.D.

Title: Chief Executive Officer

“AHMS”

Advanced Health Management Systems, L.P.

By: CFC Management, LLC

Its: General Partner

By: /s/ Marc L. Mitchell

Name: Marc L. Mitchell

Title: Manager

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

IN WITNESS WHEREOF, each Party has duly executed and delivered this Amendment as of the date first above written.

EQUITYHOLDER REPRESENTATIVE:

/s/ Marc Mitchell
Name: Marc Mitchell

EQUITYHOLDERS:

“IPA Equityholder”

Accie M. Mitchell and Gloria C. Mitchell, as co-trustees of the Mitchell Family Trust dated July 2, 2003

/s/ Accie Mitchell
Accie Mitchell, M.D.
Co-Trustee

/s/ Gloria Mitchell
Gloria Mitchell
Co-Trustee

“IPA Beneficial Owner”

/s/ Accie M. Mitchell
Accie M. Mitchell, M.D.

“AHMS General Partner”

By: CFC Management, LLC
Its: Manager

By: /s/ Marc L. Mitchell
Name: Marc L. Mitchell
Title: Manager

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

“AHMS Limited Partners”

Mitchell Family Trust

/s/ Accie Mitchell, M.D.

Accie M. Mitchell, M.D.

Co-Trustee

/s/ Gloria C. Mitchell

Gloria C. Mitchell

Co-Trustee

Mitchell Children’s Trust

/s/ Marc L. Mitchell

Marc L. Mitchell

Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell

Co-Trustee

Marc Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell

Trustee

Alex Mitchell Irrevocable Trust

/s/ Alex M. Mitchell

Alex M. Mitchell

Trustee

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

Cynthia Heard Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Tracy Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Lori Konsker Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Jason Heard Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

Briella Konsker Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Eliana Konsker Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Harrison Konsker Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Bennet Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

August Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Langston Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Co-Trustee

/s/ Alex M. Mitchell

Alex M. Mitchell
Co-Trustee

Josephine Mitchell Irrevocable Trust

/s/ Marc L. Mitchell

Marc L. Mitchell
Trustee

William Calder Mitchell Irrevocable Trust

/s/ Alex M. Mitchell

Alex M. Mitchell
Trustee

AHMS Trust

/s/ Christopher Hori

Premier Trust
Trust Officer

/s/ Ronald L. Brandt

Name: Ronald L. Brandt

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

IN WITNESS WHEREOF, each Party has duly executed and delivered this Amendment as of the date first above written.

IHEALTH:

I Health Inc.

/s/ Ronald L. Brandt

Name: Ronald L. Brandt

Title: President

[Signature Page to Amendment No. 2 to Asset and Equity Purchase Agreement]

AMENDMENT NO. 1
to
STOCK PURCHASE AGREEMENT

THIS AMENDMENT (this "Amendment"), is entered into as of March 31, 2024, by and among ASTRANA HEALTH MANAGEMENT, INC., a California corporation f/k/a NETWORK MEDICAL MANAGEMENT, INC. ("Buyer"); RONALD BRANDT ("Ron Brandt") and ALLISON BRANDT ("Allison Brandt"), each in their individual capacities (as, the "Beneficial Owners") and in their capacities as Co-Trustees of the Ronald Lee Brandt and Allison Leigh Brandt Family Trust dated December 16, 2003 (the "Equityholder"); and I HEALTH, INC., a California corporation (the "Company"). The Buyer, the Company, the Beneficial Owners and the Equityholder are referred to collectively herein as the "Parties" and, each individually, as a "Party").

WHEREAS, the Buyer Parties, the Beneficial Owners, the Company and the Equityholder are parties to that certain Stock Purchase Agreement (the "Agreement"), dated as of November 7, 2023;

WHEREAS, pursuant to Section 10.5 of the Agreement, the Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto; and

WHEREAS, capitalized terms used and not defined elsewhere in this Amendment shall have the meanings given them in the Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Section 1.1(b) (Purchase Price) shall be deleted in its entirety and replaced with the following:

"(b) Closing Payment. Subject to the adjustments set forth in Section 1.6, the aggregate consideration for the sale, transfer, conveyance, assignment and delivery of the Purchased Shares pursuant to Section 1.1(a) shall be an amount in cash equal to \$[*] (the "Purchase Price"). At the Closing, Buyer shall pay to the Equityholder cash in immediately available funds in an amount equal to the Purchase Price minus the Holdback Amount (the "Closing Payment")."

Section 2. Section 1.5 (Holdback Amount) shall be added after Section 1.4 (Disclosure of Excluded Property) as follows:

"1.5 Holdback Amount. After the Closing, \$[*] (the "Holdback Amount") shall, by wire transfer of immediately available funds, be released to the Equityholder within ten (10) Business Days of the final determination of the Final Purchase Price pursuant to Section 1.6; provided, however, that (a) if there is no balance of the Holdback Amount remaining after satisfaction of the Equityholder and Beneficial Owners' obligations under Section 5.6 or Section 8.2, or (b) the amount of outstanding indemnification claims against the Equityholder or Beneficial Owners exceed the unreleased balance of the Holdback Amount on such date, no payment will be released to the Equityholder on such date. The Equityholder and Beneficial Owners each acknowledge and agree that Buyer shall have the right to offset against the Holdback Amount any and all amounts for payments to any Indemnified Person with respect to the indemnification obligations under Section 5.6 or Section 8.2. The Equityholder and Beneficial Owners each acknowledge and agree that Buyer's right to offset against the Holdback Amount shall not be Buyer's exclusive method of receiving indemnification from the Equityholder or Beneficial Owners pursuant to Section 5.6 or Section 8.2. Within two (2) Business Days following receipt of the Holdback Amount, the Company will enter into a promissory note with Apollo Care (in the same form as the Note) having a principal amount equal to the received amount of the Holdback Amount and remit the same to Apollo Care."

Section 3. Section 1.6 (Purchase Price Adjustment) shall be added after Section 1.5 (Holdback Amount) as follows:

“1.6 Purchase Price Adjustment.”

(a) Closing Date Adjustment. No fewer than two (2) days prior to the Closing Date, the Equityholder will prepare and deliver to Buyer, a certificate (the “Pre-Closing Certificate”) signed by Ron Brandt that contains (i) the Equityholder’s reasonable good faith estimate (as of the Closing Date) of the Net Contingent Payment expected by the Company (the “Estimated Net Contingent Payment”), and (ii) the Equityholder’s confirmation that the cash amount set forth on Schedule 8.2 (the “Target Cash Amount”) plus the Net Contingent Payment will remain in the Company’s bank account(s) at and following the Closing, and (iii) based on items (i) and (ii), the Equityholder’s calculation of the Estimated Purchase Price. Each of the foregoing calculations will be accompanied by reasonable supporting detail therefor and the Equityholder will provide Buyer with reasonable access during normal business hours to any working papers, documents, and data from the Company, Beneficial Owners and Equityholder that were used to prepare the Pre-Closing Certificate. The Pre-Closing Certificate will be in form and substance reasonably satisfactory to Buyer.

(b) Post-Closing Adjustment.

(i) No later than the 90th day following the Closing Date, the Equityholder will prepare and deliver to Buyer, a certificate (the “Post-Closing Certificate”) setting forth (A) a calculation of the aggregate amount of the Net Contingent Payment (the “Final Net Contingent Payment”), (B) the amount of cash remaining in the Company’s bank account(s) as of the Closing Date (the “Final Cash Amount”), and (C) based on items (A) and (B), the Equityholder’s calculation of the Final Purchase Price. The Company, Beneficial Owners and Equityholder and its auditors will make available to Buyer and its auditors all records and work papers used in preparing the Post-Closing Certificate.

(ii) If Buyer has any objections to the Post-Closing Certificate prepared by the Equityholder, then Buyer will deliver a written statement (the “Objections Statement”) specifying in reasonable detail the particulars of such disagreement within 60 days after delivery of the Post-Closing Certificate. If Buyer fails to deliver an Objections Statement within such 60-day period, then the Post-Closing Certificate will become final and binding on all Parties.

(iii) If Buyer delivers an Objections Statement within such 60-day period, then Buyer and the Equityholder will use commercially reasonable efforts to resolve any such disputes, but if a final resolution is not obtained within 30 days after Buyer has submitted any Objections Statements, any remaining matters which are in dispute will be resolved by Deloitte or, if Deloitte is unable to serve, Buyer and the Equityholder Representative, as applicable, shall appoint by mutual agreement an independent accounting firm of nationally recognized standing (the “Accountant”). The Accountant will prepare and deliver a written report to Buyer and the Equityholder and will submit a proposed resolution of such unresolved disputes promptly, but in any event within 30 days after the dispute is submitted to the Accountant. The Accountant’s determination of such unresolved disputes will be final and binding upon all Parties; provided, however, that no such determination will be any more favorable to the Equityholder than is set forth in the Post-Closing Certificate or any more favorable to Buyer than is proposed in the Objections Statement. The costs, expenses, and fees of the Accountant will be allocated between Buyer, on the one hand, and the Equityholder, on the other hand, pro-rata based upon the difference between each such Party’s calculation of the Final Purchase Price from the Final Purchase Price as determined by the Accountant under this Section 1.6(b). The final Post-Closing Certificate, however determined pursuant to this Section 1.6, will be final and binding on the Parties and will be used for all purposes of this Section 1.6 for the final calculations of Final Net Contingent Payment, Final Cash Amount, and Final Purchase Price.

(c) If the Purchase Price Adjustment Amount finally determined pursuant to Section 1.6(b)(ii) or Section 1.6(b)(iii), is a positive number, then Buyer shall promptly pay to the Equityholder an amount equal to the Purchase Price Adjustment Amount within ten (10) Business Days from the final determination thereof under Section 1.6(b)(ii) or Section 1.6(b)(iii). If the Purchase Price Adjustment Amount is a negative number, then Buyer will deduct an amount equal to the Purchase Price Adjustment Amount from the Holdback Amount, which will be withheld from any amounts released to the Equityholder under Section 1.5. In the event the Holdback Amount is insufficient to satisfy the payment of a Purchase Price Adjustment Amount to Buyer pursuant to Section 1.6(b)(ii) or Section 1.6(b)(iii), the Equityholder shall promptly pay to Buyer an amount equal to the Purchase Price Adjustment Amount minus the Holdback Amount to Buyer within ten (10) Business Days from the final determination thereof. All payments made pursuant to this Section 1.6(c) will be treated as an adjustment to the Purchase Price for the Purchased Shares, including for Tax purposes.

(d) For purposes of this Section 1.6, the following terms have the following meanings:

“Estimated Purchase Price” means an amount equal to (i) the Closing Payment plus (ii) the Estimated Net Contingent Payment.

“Final Purchase Price” means an amount equal to (i) the Closing Payment, plus (ii) any amounts by which the Final Net Contingent Payment exceeds the Estimated Net Contingent Payment, minus (iii) any amounts by which the Estimated Net Contingent Payment exceeds the Final Net Contingent Payment, plus (iv) any amounts by which the Final Cash Amount exceeds the Target Cash Amount, minus (v) any amounts by which the Target Cash Amount exceeds the Final Cash Amount.

“Net Contingent Payment” means an amount equal to (i) the amount of cash received by the Company after the Closing Date pursuant to that certain Services Agreement (as amended, the “CFC Services Agreement”), by and among the Company, AHMS, Ron Brandt and CFC IPA, minus (ii) the amount of Taxes payable with respect thereto.

“Purchase Price Adjustment Amount” shall mean the amount equal to (i) Final Purchase Price minus (b) the Estimated Purchase Price set forth in the Pre-Closing Certificate. For sake of clarity, the Purchase Price Adjustment Amount may be either a positive or negative number.

(e) The Equityholder and each Beneficial Owner shall, jointly and severally, indemnify the Buyer Indemnitees against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Damages incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to or by reason of the CFC Services Agreement (including without limitation any amounts required to be repaid by the Company to CFC IPA).”

Section 4. Section 4.10 (Termination of 401(k) Plan) is hereby deleted in its entirety and replaced with the following:

“4.10 Reserved.”

Section 5. Section 6.2(d)(xii) (evidence of termination of 401(k) Plan) is hereby deleted in its entirety and replaced with the following:

“(xii) reserved;”

Section 6. Schedule 8.2 (Cash at Closing) is hereby deleted in its entirety and replaced with Schedule A to this Amendment.

Section 7. Continuation of Agreement. As of and after the date hereof, each reference in the Agreement to “this Agreement”, “hereunder”, “hereof”, “herein”, “hereby” or words of like import referring to the Agreement shall mean and be a reference to the Agreement as amended by this Amendment. The Agreement, as amended hereby, shall continue in full force and effect. Except as expressly amended by this Amendment, the Agreement is hereby ratified and confirmed in all respects.

Section 8. Governing Law. This Amendment shall be governed in all respects in accordance with the provisions of Section 10.7 of the Agreement.

Section 9. Counterparts. This Amendment may be executed in any number of counterparts, each of which when executed, shall be deemed to be an original and all of which together will be deemed to be one and the same instrument binding upon all of the parties hereto notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Amendment, facsimile signatures and electronically delivered signatures shall be deemed originals.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

BUYER:

ASTRANA HEALTH MANAGEMENT, INC.

By: /s/ Chandan Basha
Name: Chandan Basha
Title: Chief Financial Officer

[Signature Page to Amendment No. 1 to Stock Purchase Agreement]

IN WITNESS WHEREOF, each Party has duly executed and delivered this Amendment as of the date first above written.

COMPANY:

I HEALTH, INC.

By: /s/ Ronald Brandt

Name: Ronald Brandt

Title: Chief Executive Officer

BENEFICIAL OWNERS:

/s/ Ronald Brandt

RONALD BRANDT

/s/ Allison Brandt

ALLISON BRANDT

EQUITYHOLDER:

RONALD LEE BRANDT AND ALLISON LEIGH BRANDT FAMILY TRUST
DATED DECEMBER 16, 2003

/s/ Ronald Brandt

Ronald Brandt, Co-Trustee

/s/ Allison Brandt

Allison Brandt, Co-Trustee

[Signature Page to Amendment No. 1 to Stock Purchase Agreement]
