

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): January 1, 2017

APOLLO MEDICAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37392
(Commission File
Number)

46-3837784
(I.R.S. Employer
Identification Number)

700 N. Brand Blvd., Suite 1400, 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.

Pulmonary Critical Care Management, Inc. (“PCCM”), an indirect wholly-owned subsidiary of Apollo Medical Holdings, Inc. (the “Company”), is a party to a Management Services Agreement dated July 1, 2011 with Los Angeles Lung Center, a California Medical Corporation (“LALC”) (the “LALC MSA”). Under the terms of the LALC MSA, PCCM provides various management services to LALC. As a result of the LALC MSA, LALC has been treated as a variable interest entity (“VIE”) of the Company, meaning, among other things, that the results of operations of LALC are consolidated with those of the Company.

Effective January 1, 2017, PCCM and LALC entered into Amendment No. 1 to the LALC MSA (the “First LALC Amendment”). Under the terms of the First LALC Amendment, the expiration of the term of the LALC MSA has been changed from June 30, 2031 (a 20-year term) to December 31, 2017. The term may be extended for an additional one year period upon mutual agreement of the parties. All other provisions of the LALC MSA remain in full force and effect.

Effective March 24, 2017, PCCM and LALC entered into Amendment No. 2 to the LALC MSA (the “Second LALC Amendment”). Under the terms of the Second LALC Amendment, the scope of services to be provided by PCCM was reduced to align with the actual course of dealing between the parties. Additionally, the fee paid to PCCM was changed to a flat fee in the amount of \$6,500 per month. All other provisions of the LALC MSA, as amended by the First LALC Amendment, remain in full force and effect.

Verdugo Medical Management, Inc. (“Verdugo”), an indirect wholly-owned subsidiary of Apollo Medical Holdings, Inc. (the “Company”) is a party to a Management Services Agreement dated August 1, 2012 with Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation (“Hendel”) (the “Hendel MSA”). Under the terms of the Hendel MSA, Verdugo provides various management services to Hendel. As a result of the Hendel MSA, Hendel has been treated as a VIE of the Company, meaning, among other things, that the results of operations of Hendel are consolidated with those of the Company.

Effective January 1, 2017, Verdugo and Hendel entered into Amendment No. 1 of the Hendel MSA (the “First Hendel Amendment”). Under the terms of the First Hendel Amendment, the expiration of the term of the Hendel MSA has been changed from July 31, 2022 (a 10-year term) to December 31, 2017. The term may be extended for an additional one year period upon mutual agreement of the parties. All other provisions of the Hendel MSA remain in full force and effect.

Effective March 24, 2017, Verdugo and Hendel entered into Amendment No. 2 to the Hendel MSA (the “Second Hendel Amendment”). Under the terms of the Second Hendel Amendment, the scope of services to be provided by Verdugo was reduced to align with the actual course of dealing between the parties. Additionally, the fee paid to Verdugo was changed to a flat fee in the amount of \$2,000 per month. All other provisions of the Hendel MSA, as amended by the First Hendel Amendment, remain in full force and effect.

Among the primary effects of the First LALC Amendment and the First Hendel Amendment, the Company has determined that it is no longer the primary beneficiary of either LALC or Hendel. Accordingly, neither LALC nor Hendel will continue to be treated as a VIE of the Company and the respective results of operations of LALC and Hendel will no longer be consolidated with those of the Company effective January 1, 2017, the date that the Company ceased to have a controlling financial interest in LALC and Hendel. The Company has consolidated the results of LALC and Hendel through December 31, 2016.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Management Services Agreement dated as of July 1, 2011 between Pulmonary Critical Care Management, Inc. and Los Angeles Lung Center, a California Medical Corporation
10.2	Amendment No.1 dated as of January 1, 2017 to Management Services Agreement between Pulmonary Critical Care Management, Inc. and Los Angeles Lung Center, a California Medical Corporation
10.3	Amendment No.2 dated as of March 24, 2017 to Management Services Agreement between Pulmonary Critical Care Management, Inc. and Los Angeles Lung Center, a California Medical Corporation
10.4	Management Services Agreement dated as of August 1, 2012 between Verdugo Medical Management, Inc. and Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation
10.5	Amendment No.1 dated as of January 1, 2017 to Management Services Agreement between Verdugo Medical Management, Inc. and Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation
10.6	Amendment No.2 dated as of March 24, 2017 to Management Services Agreement between Verdugo Medical Management, Inc. and Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation

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: May 19, 2017

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

MANAGEMENT SERVICES AGREEMENT

This Management Agreement ("Agreement") is made and entered into as of this 1st day of July, 2011, by and between Pulmonary Critical Care Management, Inc., a California corporation ("Manager"), and Los Angeles Lung Center, a California medical corporation ("Group").

Recitals:

- A. Manager is a business engaged in the business of managing physician practices to enhance the quality and efficiency of the medical practices it manages.
- B. Group is a business that provides pulmonary and related critical care internal medicine and hospitalist services to inpatients at hospitals staffed by Group and also at its medical offices ("Group's Practice").
- C. Group desires retain Manager to provide assistance to Group in managing and administering all non-medical aspects of Group's Practice in a manner and to the extent permitted by law.
- D. Group and Manager recognize that Group has sole responsibility for providing medical services to Group's patients, and Manager shall provide assistance to Group in managing and administering all non-medical functions of Group's Practice.

THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Management Services. During the Term (as defined herein) of this Agreement, Group engages Manager to assist Group in providing the following management and administrative services required by Group for the operation of the Group's Practice:

- (a) Business Matters. Supervising and coordinating all day-to-day, non-medical business aspects of Group's Practice.
- (b) Supplies and Equipment. Ordering and purchasing, after consultation with Group, all medical and office supplies and equipment required by Group in connection with the operation of Group's Practice. All such supplies shall be of a quality acceptable to Group.
- (c) Bookkeeping. Providing all bookkeeping and accounting services, including, without limitation, maintenance, custody and supervision of Group's business records, papers and documents, ledgers, journals and reports, and the preparation, distribution and recording of all bills and statements for professional services rendered by Group in the course of Group's Practice.

(d) Management & Clinical Information Systems Upon request and in consultation with Group, the planning, negotiation with third party vendors, selection, installation and operation of appropriate hardware and software (including but not limited to any database technology) to provide Group with management and clinical information systems support. All clinical and financial data pertaining to Group's Practice shall be regularly backed up on electronic media, with additional hard copy back up when in the judgment of Manager, after consultation with Group, it is prudent to do so, and copies of such back up data in both electronic media and hard copy shall be provided to Group from time to time upon request of Group. Upon termination of this Agreement for any reason, all such data and back up data shall be promptly delivered to Group to ensure continuity of Group's financial and clinical operations. All such services shall comply, as appropriate, with the Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereto ("HIPAA").

(e) Billing & Collection. Subject to Section 3(d) below, providing all billing and collection services for Group's Practice. All billings shall be accurate and in accord with appropriate and up-to-date payor coding requirements. Manager shall diligently pursue collections of Group and shall follow up billings in a timely fashion to ensure that payments are received to the greatest extent possible in a commercially reasonable time, and that aged accounts receivable are maintained within commercially reasonable limits, for medical practices similar to that of Group.

(i) Attorney-In-Fact: Assignment and Limitations. In performing its billing and collection duties hereunder, Manager shall act as Group's agent and shall indicate it is billing in the name of Group. Group hereby appoints Manager, for the Term hereof, as its true and lawful attorney-in-fact, with full power of assignment and substitution, to bill patients or third party payors on Group's behalf; collect accounts receivable arising out of billings, and receive payments on behalf of Group. Notwithstanding the foregoing, no assignment shall be made to Manager of any sums or rights to payment, the assignment of which is prohibited by law (e.g., revenues from patients covered by the Medicare program). In lieu of assignment of such payments, unless otherwise prohibited by law, Group shall remit to Manager the amount of any such sums within five (5) business days of Group's receipt thereof. Group and Manager shall cooperate in the establishment of a separate account or accounts to track all such amounts, in connection with its billing activities, Manager may take possession of, and endorse in the name of Group, any and all notes, drafts and other instruments received by way of payment. Manager shall assist Group in negotiating or otherwise communicating with any patient or third party payor regarding claims processing and any disputes arising therefrom.

(ii) Bank Accounts. Manager is hereby granted a general power of attorney with respect to the bank accounts of Group and shall have full access to and signatory rights with Group, over such bank accounts. Manager shall have full power and authority to deposit funds into, and withdraw funds from, all such accounts in accordance with the terms of this Agreement; provided, however, that Group may impose such limitations upon Manager's signatory rights over such accounts as Group shall determine from time to time, in Group's sole discretion. Manager shall have full authority to receive and transact on behalf of Group all cash, checks, drafts, notes and other instruments tendered as payment for professional services rendered by Group, except as may be precluded by law.

(f) UR/OA. Assisting Group in the establishment and implementation of a program or programs of utilization review and quality assurance for the activities of Group, and in the formulation and implementation of related policies, procedures and protocols including, but not limited to both a monitoring function and the development and implementation of performance parameters, evidence based medicine protocols, and outcomes measurements.

(g) Insurance. Negotiating and securing appropriate insurance coverage on behalf of Group and in connection with Group's Practice, after consultation with Group, including coverage for malpractice, comprehensive general liability, fire and premises liability, worker's compensation, business interruption, and such other coverage as may be agreed from time to time between Manager and Group.

(h) Worker's Compensation, Etc. Preparing and filing all forms, reports, and returns required by law in connection with unemployment insurance, workers' compensation insurance, disability benefits, social security, and other similar laws now in effect or hereafter imposed.

(i) Premises. Managing the proper maintenance and physical operation of Group's medical practice premises ("Premises"). Group's medical office lease(s) are listed on Exhibit A, which is attached hereto and made a part hereof.

(j) Clerical Support. Providing reception, secretarial, human resources, transcription and clerical personnel and services, including management of the maintenance of medical records. All Manager personnel shall be acceptable to Group in its reasonable discretion and shall be appropriately trained and supervised for the duties assigned to them in connection with Group's Practice.

(k) Advertising. Marketing of physician services to hospitals, and otherwise coordinating advertising, marketing and similar activities conducted on behalf of Group, after consultation with Group.

(l) Capital. Consulting with Group regarding capital and financial needs, including seeking capital, undertaking the efforts to raise, and providing access to, capital for any lawful purpose, including without limitation working capital, acquiring other physician practices and acquiring other business assets of the practice.

(m) Contracting. Manager shall assist Group in setting the parameters under which Group will enter into, and in negotiating, contractual relations with hospitals and third party payors.

(n) Other Services. Providing such other services as may be agreed between the parties from time to time which may include, but not be limited to, Physician recruitment services, contracting services (with hospitals and payors), physicians scheduling, payroll services for the physicians (as well as management company personnel), case management for patients

2. Performance of Manager's Services.

(a) Manager's Availability. Manager shall devote its best efforts to carrying out the terms of this Agreement and shall devote sufficient time and resources, as determined by Manager after consultation with Group, as is reasonably required to discharge its duties under this Agreement.

(b) Manager's Authority. Manager shall perform all additional and ancillary services, not otherwise described in this Agreement, that may in Manager's judgment, after consultation and prior approval with Group, be reasonable and appropriate in order to meet Manager's obligations under this Agreement. Subject to prior approval of Group, Manager may subcontract with other persons or entities, including entities related to Manager by common ownership or control, to perform all or any part of the services required of Manager by this Agreement. For purposes of this Agreement, subject to the provisions provided in Section 1(e)(ii), Manager shall have signatory rights on all bank accounts used by Group in the conduct of Group's Practice, and Manager shall have the right to make deposits to and payments from such accounts as it deems appropriate in furtherance of its obligations hereunder, in accordance with Paragraph 1(e)(ii) ("Bank Accounts").

(c) Manager's Responsibility. In all matters under this Agreement, Manager shall abide by all applicable state and federal laws and regulations, and applicable policies and procedures of Group.

(d) Reports to Group. On or before the twenty-fifth (25th) day of the first month of each calendar quarter, Manager shall provide Group with an accounting of all billings and collections on behalf of Group, and all deposits to the account(s) of Group and payments from the account(s) of Group, effected by Manager for the benefit of Group during the immediately preceding calendar quarter. All reports shall be in such form as may be agreed between Manager and Group from time to time.

3. Obligations of Group.

(a) Designation of Agent. Group hereby designates and appoints Manager to act as Group's non-physician manager and to provide the services to Group in connection with Group's Practice as described in this Agreement. Group hereby designates Babak Bob Abrishami, D.O., as its designated representative who is duly authorized by the Group to bind the Group and act on behalf of the Group in all respects pertaining to this Agreement.

(b) Access to Information. Group acknowledges and agrees that all information and records concerning Group and Group's performance of services that may be obtained by Manager during the term of this Agreement may be used by Manager for all purposes necessary or convenient to Manager's obligations under this Agreement.

(c) Selection of Group Personnel. Group shall retain responsibility for the selection, hiring and termination of physicians, allied health professionals and medical assistants working in clinical capacities for the Group. Group, in consultation with Manager, shall be solely responsible for determining the compensation of all licensed medical professionals.

(d) Coding and Billing Procedures. Group shall retain responsibility for decisions relating to coding and billing procedure for patient care services.

4. Confidentiality.

(a) Trade Secrets. All proceedings, files, records and related information of Group and of Manager are confidential and proprietary information of Group and Manager, respectively, and each party shall keep and maintain as strictly confidential all such information to which it may have access by virtue of this Agreement. Neither party shall voluntarily disclose all or any part of such confidential information, orally or in writing, except as expressly required by law or pursuant to a written authorization from the other party. Each party shall include the provisions of this Paragraph in any written contract with any employed or contracted persons that may be engaged by such party to render services pursuant to this Agreement, and shall take such other steps as may be reasonable under the circumstances to ensure that its respective personnel do not disclose any confidential information in violation of this provision. This covenant shall survive the termination of this Agreement. Each party agrees that upon termination of this Agreement for any reason, it shall promptly return to the other party the originals and all copies of any and all trade secrets, confidential or proprietary information, it may then possess, including without limitation any such information stored on computer media.

(b) Medical Information & Patient Records. Each party shall maintain the confidentiality of all patient records, charts and other patient identifying information, and shall comply with all applicable State and Federal laws governing the confidentiality of medical records and related information. Manager will serve as a "Business Associate" (as that term is defined under HIPAA) of Group, Accordingly, and in compliance with the requirements HIPAA, Manager shall, prior to the commencement of services hereunder, enter into a mutually acceptable form of Business Associate Agreement.

5. Independent Contractors.

In the performance of services under this Agreement, it is mutually understood and agreed that Manager is at all times acting and performing as an independent contractor rendering administrative services to Group. Neither party shall have any claim against the other under this Agreement or otherwise for Workers' Compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits, or any other benefits.

6. Staffing of Manager and Group.

(a) Non-physician Personnel. Manager shall be responsible for the payment to all persons employed or retained by Manager of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits that Manager may make available to its employees or contractors.

(b) Licensed Professional Personnel. Group shall employ or contract with all physicians and other licensed professional personnel that Group, after consultation with Manager, deems to be required for the conduct of the Group's Practice. All such personnel shall be employees or contractors of Group, and Group shall be responsible for the payment to all such persons of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits which Group may make available to Group's employees or contractors; provided, however, that Manager shall have management responsibility over the non-medical aspects associated with Group's employment or contracting of such personnel.

7. Term and Termination.

(a) Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect for a term of twenty (20) years (the "Term") until terminated as provided in this Agreement.

(c) No Termination without Cause. This Agreement may be terminated only for cause as specified in Subparagraph (c) below.

(c) By Group. Cause for termination by Group shall be limited to the following: (i) failure of any representation or warranty made by Manager in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Group; (ii) material failure by Manager to duly observe and perform the covenants and agreements undertaken by Manager herein; (iii) misrepresentation of material fact, or fraud, by Manager in the discharge of its obligations under this Agreement; (iv) if Manager shall dissolve, shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Manager of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(d) By Manager. Cause for termination by Manager shall be limited to the following: (i) failure of any representation or warranty made by Group in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Manager; (ii) misrepresentation of material fact, or fraud, by Group in the discharge of Group's obligations under this Agreement; or (iii) if Group shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Group of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(e) Effect of Termination. Termination of this Agreement shall not discharge either party from any obligation which may have arisen and which remains to be performed upon the date of termination, including, but not limited to, the obligation to compensate Manager in accordance with Section 8 (Management Fee). Upon termination of this Agreement, Manager shall promptly deliver to Group all clinical and financial data maintained by Manager for Group's benefit. Manager shall make diligent efforts to collect receivables arising from services of Group prior to the date of termination and shall remit to Group in a timely fashion the allocable portion of all such collections. Similarly, following termination, all receivables that Group may directly collect arising from services of Group prior to the date of termination shall be allocated as provided herein, and Group shall remit to Manager in a timely fashion the allocable portion of Group's collections of the same.

8. Management Fee.

(a) Fee. In consideration of the management services to be rendered by Manager hereunder, Group shall pay Manager, each month, a percentage of Group's gross revenue that Group receives for the performance of medical services by Group. This percentage will be amended or modified each month, according to medical practice budgets as agreed between Manager and Group.

(b) Payment of Fee. On or before the twentieth (20th) day of the month following each month, Manager may deduct and pay to itself, from any account(s) of Group managed by Manager, all amounts due and owing to Manager as management fees for the immediately preceding month.

9. Rights of Entry and Inspection.

(a) By Manager. Manager and its duly authorized representatives shall have the right at all reasonable times to enter upon Group's Premises for the purposes of carrying out the duties of Manager hereunder, and for inspection and verification of Group's books and records pertaining to Group's Practice; provided, however, that any such entry by Manager shall not unreasonably interfere with the conduct of Group's Practice.

(b) By Group. Group and its duly authorized representatives shall have the right at all reasonable times to enter upon Manager's premises for the purposes of carrying out the duties of Group hereunder, and for inspection and verification of Manager's books and records pertaining to Group's Practice; provided, however, that any such entry by Group shall not unreasonably interfere with the conduct of Manager's business.

10. Group's Representations and Warranties.

(a) Properly Constituted. Group is a professional corporation, duly organized, existing in good standing under the laws of the State of California, has the corporate power and authority to own its property and to carry on Group's business as it is now being conducted, and to enter into and perform Group's obligations under this Agreement.

(b) No Conflicts. The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Group is a party or by which it is bound.

(c) Licenses and Permits. Group has in full force and effect all licenses, permits and certificates required to operate Group's Practice as it is being operated as of the date of this Agreement. Group shall promptly notify Manager should any of Group's shareholders become ineligible to practice medicine in the State of California. Group shall not permit any persons who have become ineligible to practice medicine in California to retain shares of Group beyond such time periods as may be permitted by law.

(d) Consents. Group has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Group to enter into this Agreement.

11. Manager's Representations and Warranties.

(a) Properly Constituted. Manager is a corporation duly organized, existing and in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to carry on its business as it is now being conducted, and to enter into and perform its obligations under this Agreement.

(b) No Conflicts. The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Manager is a party or by which it is bound.

(c) Licenses and Permits. Manager has in full force and effect all licenses, permits and certificates required to operate its business as it is being operated as of the date of this Agreement.

(d) Consents. Manager has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Manager to enter into this Agreement.

12. Insurance and Indemnity.

(a) Professional Liability. Group shall at all times during the term of the Agreement procure and maintain, and cause all licensed health care personnel associated with Group's medical practice to similarly procure and maintain, professional liability insurance with minimum coverage limits of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, and in such form and substance, and underwritten by such recognized companies, authorized to do business in California, as Manager may from time to time reasonably require, and shall provide copies of all such policies and renewals thereof to Manager upon request.

(b) Indemnity. To the extent permissible under each party's respective policies of insurance, each party shall indemnify and hold harmless the other party, and its shareholders, directors, officers, employees and agents, from and against all damages, costs, expenses, liabilities, claims, demands, and judgments of whatever kind or nature, including reasonable attorneys' fees and costs, for which either party might be liable, in whole or in part, arising out of or related to the acts and/or omissions of the indemnifying party and its shareholders, directors, officers, employees and agents.

13. General Provisions.

(a) Assignment. Neither party shall assign any of its rights nor delegate any of its duties or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Manager may assign this Agreement to a successor in interest by providing notice to Group, which notice shall state the effective date of such assignment. Upon such assignment, the successor shall be responsible for the duties and responsibilities of Manager hereunder. Nothing contained in this Agreement shall be construed to prevent the Manager from selling or conveying substantially all of its assets used in connection with the performance of this Agreement, nor shall Group be prohibited from selling or conveying substantially all of its assets provided that the Agreement continues in full force and effect.

(b) Access to Books and Records. Manager shall make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives, this Agreement, and all books, documents and records relating to the nature and extent of the costs of services provided hereunder for a period of five (5) years after the furnishing of services pursuant hereto. In addition, if Manager's services under this Agreement are to be provided by subcontract and if that subcontract has a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, Manager shall require in writing that the subcontractor make available to the Secretary and the Comptroller General, or their authorized representatives, for a period of five (5) years after the furnishing of such services, the subcontract and all books, documents and records relating to the nature and extent of the costs of the services provided thereunder.

(c) Amendments. This Agreement may be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by the parties. Notwithstanding the foregoing, should any provision of this Agreement be in conflict with a governing State or federal law, it shall be deemed amended accordingly.

(d) Notices. Notices required under this Agreement shall be deemed given (i) at the time of personal delivery upon the party to be served; or (ii) twenty four (24) hours following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such service, or following deposit in the U.S. Mail, Express Mail for overnight delivery; or (iii) forty eight (48) hours following deposit in the U.S. Mail, registered or certified mail; and in any case postage prepaid and addressed as follows, or to such other addresses as either party may from time to time designate to the other:

To Group: Los Angeles Lung
Center
1245 Wilshire Blvd, Suite 611
Los Angeles, CA 90017

To Manager: Pulmonary Critical Care Management, Inc.
1245 Wilshire Blvd, Suite 305
Los Angeles, CA 90017

(e) Entire Agreement. This Agreement, including all Attachments, is the entire Agreement between the parties regarding the subject matter hereof, and supersedes all other and prior agreements, whether oral or written.

(f) Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their permitted successors and assigns.

(g) Waiver of Provisions. No waiver of any terms or conditions hereof shall be valid unless given in writing, and signed by the party giving such waiver. A waiver of any term or condition hereof shall not be construed as a future or continuing waiver of the same or any other term or condition hereof.

(h) Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to conflicts of law.

(i) Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

(j) Attorneys' Fees. In the event that any action, including mediation or arbitration, is brought by either party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

(k) Captions. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of any provision hereof.

(l) Cumulation of Remedies. The various rights, options, elections, powers, and remedies of the respective parties hereto granted by this Agreement are in addition to any others to which the parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right of priority allowed by law.

(m) No Third Party Rights. The parties do not intend the benefits of this Agreement to inure to any third person not a signatory hereto; and accordingly, this Agreement shall not be construed to create any right, claim or cause of action against either party by any person or entity not a party hereto.

(n) Construction of Agreement. The parties agree that each party and its counsel have participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

(o) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.]

SIGNATURES ON NEXT PAGE.]

Real Property Leases

[Annexed hereto]

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

Pulmonary Critical Care Management, Inc. ("MANAGER"):

By: _____

Its: President _____

Los Angeles Lung Center, a Medical Corporation ("GROUP"):

By: _____

Its: President/ _____

Chief Executive Officer

**AMENDMENT NO.1 TO
MANAGEMENT SERVICES AGREEMENT
DATED JULY 1, 2011**

This Amendment No.1 (this "Amendment") to Management Services Agreement dated July 1, 2011 (the "2011 MSA") is entered into as of January 1, 2017 by and between Pulmonary Critical Care Management, Inc., a California corporation, and Los Angeles Lung Center, a California Medical Corporation.

1. Section 7(a) of the 2011 MSA is amended in its entirety to read as follows:

"This Agreement shall commence on the Effective Date and shall continue in full force and effect for a term ending on December 31, 2017 (the "Term"). The Term may be extended for an additional period of one (1) year upon the mutual agreement of the parties."

2. All other provisions of the 2011 MSA shall remain in full force and effect

3. In the event of any conflict between the provisions of this Amendment and the 2011 MSA, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of January 1, 2017.

PULMONARY CRITICAL CARE
MANAGEMENT, INC.

By /s/ Warren Hosseinion, M.D.
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

LOS ANGELES LUNG CENTER, A MEDICAL CORPORATION

By /s/ Babak Abrishami, D.O.
Name: Babak Abrishami, D.O.
Title: President

**AMENDMENT NO.2 TO
MANAGEMENT SERVICES AGREEMENT
DATED JULY 1, 2011, AS AMENDED**

This Amendment No.2 (this "Amendment") to Management Services Agreement dated July 1, 2011 (the "2011 MSA"), as amended by Amendment No.1 dated as of January 1, 2017 (together with the 2011 MSA, the "Amended MSA"), is entered into as of March 24, 2017 by and between Pulmonary Critical Care Management, Inc., a California corporation, and Los Angeles Lung Center, a California Medical Corporation.

1. Section 1 of the 2011 MSA is amended by deleting subsections (a), (d), (e), (g), (h), (i), (k) and (l) in their entirety and reserving those subsections without use.
2. Section 8 of the 2011 MSA is amended by deleting subsection (a) in its entirety and replacing it with the following:
“(a) Fee. In consideration of the services to be rendered by the Manager hereunder, Group shall pay Manager, each month, the sum of Six Thousand Five Hundred Dollars (\$6,500.00) or such other amount as the parties may agree”.
3. All other provisions of the Amended MSA shall remain in full force and effect.
4. In the event of any conflict between the provisions of this Amendment and the Amended MSA, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of March 24, 2017.

PULMONARY CRITICAL CARE MANAGEMENT, INC.

By /s/ Warren Hosseinion, M.D.
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

LOS ANGELES LUNG CENTER, A MEDICAL CORPORATION

By /s/ Babak Abrishami, D.O.
Name: Babak Abrishami, D.O.
Title: President

MANAGEMENT SERVICES AGREEMENT

This Management Agreement (“Agreement”) is made and entered into August 1, 2012, by and between VERDUGO MEDICAL MANAGEMENT, INC., a California corporation (“Manager”) with an address of 700 N. Brand Boulevard, Suite 450, Glendale, CA 91204, and ELI E. HENDEL, M.D., A MEDICAL CORPORATION, a California medical corporation (“Group”) with an address of 1500 S. Central Avenue, Suite 117, Glendale, CA 91204.

Recitals:

- A. Manager is a business engaged in the business of managing physician practices to enhance the quality and efficiency of the medical practices it manages.
- B. Group is a business that provides pulmonary and related critical care internal medicine and hospitalist services to inpatients at hospitals staffed by Group and also at its medical offices (“Group’s Practice”).
- C. Group desires retain Manager to provide assistance to Group in managing and administering all non-medical aspects of Group’s Practice in a manner and to the extent permitted by law.
- D. Group and Manager recognize that Group has sole responsibility for providing medical services to Group’s patients, and Manager shall provide assistance to Group in managing and administering all non-medical functions of Group’s Practice.

THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. Management Services. During the Term (as defined herein) of this Agreement, Group engages Manager to assist Group in providing the following management and administrative services required by Group for the operation of the Group’s Practice:

- (a) Business Matters. Supervising and coordinating all day-to-day, non-medical business aspects of Group’s Practice.
- (b) Supplies and Equipment. Ordering and purchasing, after consultation with Group, all medical and office supplies and equipment required by Group in connection with the operation of Group’s Practice. All such supplies shall be of a quality acceptable to Group.
- (c) Bookkeeping. Providing all bookkeeping and accounting services, including, without limitation, maintenance, custody and supervision of Group’s business records, papers and documents, ledgers, journals and reports, and the preparation, distribution and recording of all bills and statements for professional services rendered by Group in the course of Group’s Practice.

(d) Management & Clinical Information Systems. Upon request and in consultation with Group, the planning, negotiation with third party vendors, selection, installation and operation of appropriate hardware and software (including but not limited to any database technology) to provide Group with management and clinical information systems support. All clinical and financial data pertaining to Group's Practice shall be regularly backed up on electronic media, with additional hard copy back up when in the judgment of Manager, after consultation with Group, it is prudent to do so, and copies of such back up data in both electronic media and hard copy shall be provided to Group from time to time upon request of Group. Upon termination of this Agreement for any reason, all such data and back up data shall be promptly delivered to Group to ensure continuity of Group's financial and clinical operations. All such services shall comply, as appropriate, with the Health Insurance Portability and Accountability Act of 1996, and the regulations promulgated thereto ("HIPAA").

(e) Billing & Collection. Subject to Section 3(d) below, providing all billing and collection services for Group's Practice. All billings shall be accurate and in accord with appropriate and up-to-date payor coding requirements. Manager shall diligently pursue collections of Group and shall follow up billings in a timely fashion to ensure that payments are received to the greatest extent possible in a commercially reasonable time, and that aged accounts receivable are maintained within commercially reasonable limits, for medical practices similar to that of Group.

(i) Attorney-In-Fact: Assignment and Limitations. In performing its billing and collection duties hereunder, Manager shall act as Group's agent and shall indicate it is billing in the name of Group. Group hereby appoints Manager, for the Term hereof, as its true and lawful attorney-in-fact, with full power of assignment and substitution, to bill patients or third party payors on Group's behalf; collect accounts receivable arising out of billings, and receive payments on behalf of Group. Notwithstanding the foregoing, no assignment shall be made to Manager of any sums or rights to payment, the assignment of which is prohibited by law (e.g., revenues from patients covered by the Medicare program). In lieu of assignment of such payments, unless otherwise prohibited by law, Group shall remit to Manager the amount of any such sums within five (5) business days of Group's receipt thereof. Group and Manager shall cooperate in the establishment of a separate account or accounts to track all such amounts. In connection with its billing activities, Manager may take possession of, and endorse in the name of Group, any and all notes, drafts and other instruments received by way of payment. Manager shall assist Group in negotiating or otherwise communicating with any patient or third party payor regarding claims processing and any disputes arising therefrom.

(ii) Bank Accounts. Manager is hereby granted a general power of attorney with respect to the bank accounts of Group and shall have full access to and signatory rights with Group, over such bank accounts. Manager shall have full power and authority to deposit funds into, and withdraw funds from, all such accounts in accordance with the terms of this Agreement; provided, however, that Group may impose such limitations upon Manager's signatory rights over such accounts as Group shall determine from time to time, in Group's sole discretion. Manager shall have full authority to receive and transact on behalf of Group all cash, checks, drafts, notes and other instruments tendered as payment for professional services rendered by Group, except as may be precluded by law.

(f) UR/OA. Assisting Group in the establishment and implementation of a program or programs of utilization review and quality assurance for the activities of Group, and in the formulation and implementation of related policies, procedures and protocols including, but not limited to both a monitoring function and the development and implementation of performance parameters, evidence based medicine protocols, and outcomes measurements.

(g) Insurance. Negotiating and securing appropriate insurance coverage on behalf of Group and in connection with Group's Practice, after consultation with Group, including coverage for malpractice, comprehensive general liability, fire and premises liability, worker's compensation, business interruption, and such other coverage as may be agreed from time to time between Manager and Group.

(h) Worker's Compensation, Etc. Preparing and filing all forms, reports, and returns required by law in connection with unemployment insurance, workers' compensation insurance, disability benefits, social security, and other similar laws now in effect or hereafter imposed.

(i) Premises. Managing the proper maintenance and physical operation of Group's medical practice premises ("Premises").

(j) Clerical Support. Providing reception, secretarial, human resources, transcription and clerical personnel and services, including management of the maintenance of medical records. All Manager personnel shall be acceptable to Group in its reasonable discretion and shall be appropriately trained and supervised for the duties assigned to them in connection with Group's Practice.

(k) Advertising. Marketing of physician services to hospitals, and otherwise coordinating advertising, marketing and similar activities conducted on behalf of Group, after consultation with Group.

(l) Capital. Consulting with Group regarding capital and financial needs, including seeking capital, undertaking the efforts to raise, and providing access to, capital for any lawful purpose, including without limitation working capital, acquiring other physician practices and acquiring other business assets of the practice.

(m) Contracting. Manager shall assist Group in setting the parameters under which Group will enter into, and in negotiating, contractual relations with hospitals and third party payors.

(n) Other Services. Providing such other services as may be agreed between the parties from time to time which may include, but not be limited to, Physician recruitment services, contracting services (with hospitals and payors), physicians scheduling, payroll services for the physicians (as well as management company personnel), case management for patients

2. Performance of Manager's Services.

(a) Manager's Availability. Manager shall devote its best efforts to carrying out the terms of this Agreement and shall devote sufficient time and resources, as determined by Manager after consultation with Group, as is reasonably required to discharge its duties under this Agreement.

(b) Manager's Authority. Manager shall perform all additional and ancillary services, not otherwise described in this Agreement, that may in Manager's judgment, after consultation and prior approval with Group, be reasonable and appropriate in order to meet Manager's obligations under this Agreement. Subject to prior approval of Group, Manager may subcontract with other persons or entities, including entities related to Manager by common ownership or control, to perform all or any part of the services required of Manager by this Agreement. For purposes of this Agreement, subject to the provisions provided in Section 1(e)(ii), Manager shall have signatory rights on all bank accounts used by Group in the conduct of Group's Practice, and Manager shall have the right to make deposits to and payments from such accounts as it deems appropriate in furtherance of its obligations hereunder, in accordance with Paragraph 1 (e)(ii) ("Bank Accounts").

(c) Manager's Responsibility. In all matters under this Agreement, Manager shall abide by all applicable state and federal laws and regulations, and applicable policies and procedures of Group.

(d) Reports to Group. On or before the twenty-fifth (25th) day of the first month of each calendar quarter, Manager shall provide Group with an accounting of all billings and collections on behalf of Group, and all deposits to the account(s) of Group and payments from the account(s) of Group, effected by Manager for the benefit of Group during the immediately preceding calendar quarter. All reports shall be in such form as may be agreed between Manager and Group from time to time.

3. Obligations of Group.

(a) Designation of Agent. Group hereby designates and appoints Manager to act as Group's non-physician manager and to provide the services to Group in connection with Group's Practice as described in this Agreement. Group hereby designates ELI HENDEL, M.D., as its designated representative who is duly authorized by the Group to bind the Group and act on behalf of the Group in all respects pertaining to this Agreement.

(b) Access to Information. Group acknowledges and agrees that all information and records concerning Group and Group's performance of services that may be obtained by Manager during the term of this Agreement may be used by Manager for all purposes necessary or convenient to Manager's obligations under this Agreement.

(c) Selection of Group Personnel. Group shall retain responsibility for the selection, hiring and termination of physicians, allied health professionals and medical assistants working in clinical capacities for the Group. Group, in consultation with Manager, shall be solely responsible for determining the compensation of all licensed medical professionals.

(d) Coding and Billing Procedures. Group shall retain responsibility for decisions relating to coding and billing procedure for patient care services, unless agreed upon by both parties that Group retains responsibility for coding and billing.

4. Confidentiality.

(a) Trade Secrets. All proceedings, files, records and related information of Group and of Manager are confidential and proprietary information of Group and Manager, respectively, and each party shall keep and maintain as strictly confidential all such information to which it may have access by virtue of this Agreement. Neither party shall voluntarily disclose all or any part of such confidential information, orally or in writing, except as expressly required by law or pursuant to a written authorization from the other party. Each party shall include the provisions of this Paragraph in any written contract with any employed or contracted persons that may be engaged by such party to render services pursuant to this Agreement, and shall take such other steps as may be reasonable under the circumstances to ensure that its respective personnel do not disclose any confidential information in violation of this provision. This covenant shall survive the termination of this Agreement. Each party agrees that upon termination of this Agreement for any reason, it shall promptly return to the other party the originals and all copies of any and all trade secrets, confidential or proprietary information, it may then possess, including without limitation any such information stored on computer media.

(b) Medical Information & Patient Records. Each party shall maintain the confidentiality of all patient records, charts and other patient identifying information, and shall comply with all applicable State and Federal laws governing the confidentiality of medical records and related information. Manager will serve as a "Business Associate" (as that term is defined under HIPAA) of Group, Accordingly, and in compliance with the requirements HTPAA, Manager shall, prior to the commencement of services hereunder, enter into a mutually acceptable form of Business Associate Agreement.

5. Independent Contractors.

In the performance of services under this Agreement, it is mutually understood and agreed that Manager is at all times acting and performing as an independent contractor rendering administrative services to Group. Neither party shall have any claim against the other under this Agreement or otherwise for Workers' Compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits, or any other benefits.

6. Staffing of Manager and Group.

(a) Non-physician Personnel. Manager shall be responsible for the payment to all persons employed or retained by Manager of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits that Manager may make available to its employees or contractors.

(b) Licensed Professional Personnel. Group shall employ or contract with all physicians and other licensed professional personnel that Group, after consultation with Manager, deems to be required for the conduct of the Group's Practice. All such personnel shall be employees or contractors of Group, and Group shall be responsible for the payment to all such persons of all compensation, including reasonable base salary, fringe benefits, bonuses, health and disability insurance, workers' compensation insurance and any other benefits which Group may make available to Group's employees or contractors; provided, however, that Manager shall have management responsibility over the non-medical aspects associated with Group's employment or contracting of such personnel.

7. Term and Termination.

(a) Term. This Agreement shall commence on the Effective Date and shall continue in full force and effect for a term of ten (10) years (the "Term") until terminated as provided in this Agreement.

(c) No Termination without Cause. This Agreement may be terminated only for cause as specified in Subparagraph (c) below.

(c) By Group. Cause for termination by Group shall be limited to the following: (i) failure of any representation or warranty made by Manager in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Group; (ii) material failure by Manager to duly observe and perform the covenants and agreements undertaken by Manager herein; (iii) misrepresentation of material fact, or fraud, by Manager in the discharge of its obligations under this Agreement; (iv) if Manager shall dissolve, shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Manager of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(d) By Manager. Cause for termination by Manager shall be limited to the following: (i) failure of any representation or warranty made by Group in this Agreement to be true at the date of this Agreement and to remain true throughout the Term hereof, which failure has a material adverse effect upon Manager; (ii) misrepresentation of material fact, or fraud, by Group in the discharge of Group's obligations under this Agreement; or (iii) if Group shall be adjudicated insolvent or bankrupt, or shall make a general assignment for the benefit of creditors, or shall consent to or authorize the filing of a voluntary petition in bankruptcy, which petition shall remain undismissed for a period of sixty (60) days, or the filing against Group of any proceeding in involuntary bankruptcy, which proceeding shall remain undismissed for a period of sixty (60) days.

(e) Effect of Termination. Termination of this Agreement shall not discharge either party from any obligation which may have arisen and which remains to be performed upon the date of termination, including, but not limited to, the obligation to compensate Manager in accordance with Section 8 (Management Fee). Upon termination of this Agreement, Manager shall promptly deliver to Group all clinical and financial data maintained by Manager for Group's benefit. Manager shall make diligent efforts to collect receivables arising from services of Group prior to the date of termination and shall remit to Group in a timely fashion the allocable portion of all such collections. Similarly, following termination, all receivables that Group may directly collect arising from services of Group prior to the date of termination shall be allocated as provided herein, and Group shall remit to Manager in a timely fashion the allocable portion of Group's collections of the same.

8. Management Fee.

(a) Fee. In consideration of the services to be rendered by Manager hereunder, as described in the management agreement. Group shall pay Manager, each month, a percentage of Group's net collections for the performance of medical services by Group. The amount paid to Manager will vary by month and be greater than or equal, as agreed upon by Manager and Group, all administrative costs paid by Manager on behalf of Group plus an operating fee equal to the greater of three percent (3%) of net collections or two thousand United States dollars (\$2,000.00) per month.

(b) Payment of Fee. On or before the twentieth (20th) day of the month following each month, Manager may deduct and pay to itself, from any account(s) of Group managed by Manager, all amounts due and owing to Manager as management fees for the immediately preceding month.

9. Rights of Entry and Inspection.

(a) By Manager. Manager and its duly authorized representatives shall have the right at all reasonable times to enter upon Group's Premises for the purposes of carrying out the duties of Manager hereunder, and for inspection and verification of Group's books and records pertaining to Group's Practice; provided, however, that any such entry by Manager shall not unreasonably interfere with the conduct of Group's Practice.

(b) By Group. Group and its duly authorized representatives shall have the right at all reasonable times to enter upon Manager's premises for the purposes of carrying out the duties of Group hereunder, and for inspection and verification of Manager's books and records pertaining to Group's Practice; provided, however, that any such entry by Group shall not unreasonably interfere with the conduct of Manager's business.

10. Group's Representations and Warranties.

(a) Properly Constituted. Group is a professional corporation, duly organized, existing in good standing under the laws of the State of California, has the corporate power and authority to own its property and to carry on Group's business as it is now being conducted, and to enter into and perform Group's obligations under this Agreement.

(b) No Conflicts. The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Group is a party or by which it is bound.

(c) Licenses and Permits. Group has in full force and effect all licenses, permits and certificates required to operate Group's Practice as it is being operated as of the date of this Agreement. Group shall promptly notify Manager should any of Group's shareholders become ineligible to practice medicine in the State of California. Group shall not permit any persons who have become ineligible to practice medicine in California to retain shares of Group beyond such time periods as may be permitted by law.

(d) Consents. Group has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Group to enter into this Agreement

11. Manager's Representations and Warranties.

(a) Properly Constituted. Manager is a corporation duly organized, existing and in good standing under the laws of the State of Delaware, has the corporate power and authority to own its property and to carry on its business as it is now being conducted, and to enter into and perform its obligations under this Agreement.

(b) No Conflicts. The execution, delivery and performance of this Agreement will not contravene or conflict with any agreements, indentures or contracts to which Manager is a party or by which it is bound.

(c) Licenses and Permits. Manager has in full force and effect all licenses, permits and certificates required to operate its business as it is being operated as of the date of this Agreement.

(d) Consents. Manager has taken all appropriate corporate action and has obtained all necessary approvals and consents that are necessary or convenient to enable Manager to enter into this Agreement.

12. Insurance and Indemnity.

(a) Professional Liability. Group shall at all times during the term of the Agreement procure and maintain, and cause all licensed health care personnel associated with Group's medical practice to similarly procure and maintain, professional liability insurance with minimum coverage limits of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate, and in such form and substance, and underwritten by such recognized companies, authorized to do business in California, as Manager may from time to time reasonably require, and shall provide copies of all such policies and renewals thereof to Manager upon request.

(b) Indemnity. To the extent permissible under each party's respective policies of insurance, each party shall indemnify and hold harmless the other party, and its shareholders, directors, officers, employees and agents, from and against all damages, costs, expenses, liabilities, claims, demands, and judgments of whatever kind or nature, including reasonable attorneys' fees and costs, for which either party might liable, in whole or in part, arising out of or related to the acts and/or omissions of the indemnifying party and its shareholders, directors, officers employees and agents.

13. General Provisions.

(a) Assignment. Neither party shall assign any of its rights nor delegate any of its duties or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Manager may assign this Agreement to a successor in interest by providing notice to Group, which notice shall state the effective date of such assignment. Upon such assignment, the successor shall be responsible for the duties and responsibilities of Manager hereunder. Nothing contained in this Agreement shall be construed to prevent the Manager from selling or conveying substantially all of its assets used in connection with the performance of this Agreement, nor shall Group be prohibited from selling or conveying substantially all of its assets provided that the Agreement continues in full force and effect.

(b) Access to Books and Records. Manager shall make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives, this Agreement, and all books, documents and records relating to the nature and extent of the costs of services provided hereunder for a period of five (5) years after the furnishing of services pursuant hereto. In addition, if Manager's services under this Agreement are to be provided by subcontract and if that subcontract has a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, Manager shall require in writing that the subcontractor make available to the Secretary and the Comptroller General, or their authorized representatives, for a period of five (5) years after the furnishing of such services, the subcontract and all books, documents and records relating to the nature and extent of the costs of the services provided thereunder.

(c) Amendments. This Agreement may be amended at any time by mutual agreement of the parties without additional consideration, provided that before any amendment shall become effective, it shall be reduced to writing and signed by the parties. Notwithstanding the foregoing, should any provision of this Agreement be in conflict with a governing State or federal law, it shall be deemed amended accordingly.

(d) Notices. Notices required under this Agreement shall be deemed given (i) at the time of personal delivery upon the party to be served; or (ii) twenty four (24) hours following deposit for overnight delivery with a bonded courier holding itself out to the public as providing such service, or following deposit in the U.S. Mail, Express Mail for overnight delivery; or (iii) forty eight (48) hours following deposit in the U.S. Mail, registered or certified mail; and in any case postage prepaid and addressed listed above, or to such other addresses as either party may from time to time designate to the other.

(e) Entire Agreement. This Agreement, including all Attachments, is the entire Agreement between the parties regarding the subject matter hereof, and supersedes all other and prior agreements, whether oral or written.

(f) Successors and Assigns. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their permitted successors and assigns.

(g) Waiver of Provisions. No waiver of any terms or conditions hereof shall be valid unless given in writing, and signed by the party giving such waiver. A waiver of any term or condition hereof shall not be construed as a future or continuing waiver of the same or any other term or condition hereof.

(h) Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California without regard to conflicts of law.

(i) Severability. The provisions of this Agreement shall be deemed severable, and if any portion shall be held invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.

(j) Attorneys' Fees. In the event that any action, including mediation or arbitration, is brought by either party arising out of or in connection with this Agreement, the prevailing party in such action shall be entitled to recover its costs of suit, including reasonable attorneys' fees.

(k) Captions. Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of any provision hereof.

(l) Cumulation of Remedies. The various rights, options, elections, powers, and remedies of the respective parties hereto granted by this Agreement are in addition to any others to which the parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right of priority allowed by law.

(m) No Third Party Rights. The parties do not intend the benefits of this Agreement to inure to any third person not a signatory hereto; and accordingly, this Agreement shall not be construed to create any right, claim or cause of action against either party by any person or entity not a party hereto.

(n) Construction of Agreement. The parties agree that each party and its counsel have participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

(o) Counterparts: Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK. SIGNATURES ON NEXT PAGE.]

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

SELECTION OF SEPARATE COUNSEL

MANAGER AND GROUP ACKNOWLEDGE THAT EACH HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH AN ATTORNEY AND/OR A CERTIFIED PUBLIC ACCOUNTANT OF THEIR CHOICE REGARDING THE CONTENTS OF THIS AGREEMENT, ITS SUBJECT MATTER AND ANY AND ALL COLLATERAL DOCUMENTS WHICH MAY BE NECESSARY TO CARRY OUT THE TRUE INTENT OF THIS AGREEMENT, AND EACH HAS EITHER RECEIVED OR WAIVED SUCH ADVICE.

VERDUGO MEDICAL MANAGEMENT, INC. ("MANAGERS"):

By: /s/ Eli Hendel
Eli Hendel, M.D., President

ELI E. HENDEL, M.D., A MEDICAL CORPORATION ("GROUP")

By: /s/ Eli Hendel
Eli Hendel, M.D., President

**AMENDMENT NO.1 TO
MANAGEMENT SERVICES AGREEMENT
DATED AUGUST 1, 2012**

This Amendment No.1 (this "Amendment") to Management Services Agreement dated August 1, 2012 (the "2012 MSA") is entered into as of January 1, 2017 by and between Verdugo Medical Management, Inc., a California corporation, and Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation.

1. Section 7(a) of the 2012 MSA is amended in its entirety to read as follows:

"This Agreement shall commence on the Effective Date and shall continue in full force and effect for a term ending on December 31, 2017 (the "Term"). The Term may be extended for an additional period of one (1) year upon the mutual agreement of the parties."

2. All other provisions of the 2012 MSA shall remain in full force and effect

3. In the event of any conflict between the provisions of this Amendment and the 2012 MSA, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of January 1, 2017.

VERDUGO MEDICAL MANAGEMENT, INC.

By /s/ Warren Hosseinion, M.D.
Name: Warren Hosseinion, M.D.
Title: Chief Executive Officer

ELI HENDEL, M.D., A MEDICAL CORPORATION

By /s/ Eli Hendel, M.D.
Name: Eli Hendel, M.D.
Title: President

**AMENDMENT NO.2 TO
MANAGEMENT SERVICES AGREEMENT
DATED AUGUST 1, 2012, AS AMENDED**

This Amendment No.2 (this "Amendment") to Management Services Agreement dated August 1, 2012 (the "2012 MSA"), as amended by Amendment No.1 dated as of January 1, 2017 (together with the 2012 MSA, the "Amended MSA"), is entered into as of March 24, 2017 by and between Verdugo Medical Management, Inc., a California corporation, and Eli E. Hendel, M.D., a Medical Corporation, a California Medical Corporation.

- 1. Section 1 of the 2012 MSA is amended by deleting subsections (a), (d), (e), (g), (h), (i), (k) and (l) in their entirety and reserving those subsections without use.
- 2. Section 8 of the 2012 MSA is amended by deleting subsection (a) in its entirety and replacing it with the following:
 "(a) Fee. In consideration of the services to be rendered by the Manager hereunder, Group shall pay Manager, each month, the sum of Two Thousand Dollars (\$2,000.00) or such other amount as the parties may agree".
- 3. All other provisions of the Amended MSA shall remain in full force and effect.
- 4. In the event of any conflict between the provisions of this Amendment and the Amended MSA, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of March 24, 2017.

VERDUGO MEDICAL MANAGEMENT, INC.

By /s/ Warren Hosseinion, M.D.
 Name: Warren Hosseinion, M.D.
 Title: Chief Executive Officer

ELI HENDEL, M.D., A MEDICAL CORPORATION

By /s/ Eli Hendel, M.D.
 Name: Eli Hendel, M.D.
 Title: President

