

**CONFIDENTIAL SUPPLEMENT 1**

Disclosure Schedules to Purchase Agreement



**STOCK PURCHASE AGREEMENT**  
**Schedule 1.1(a) and 1.1(b), Purchase and Sale**

Schedule 1.1(a)

Buyer shall purchase the Company Stock set forth opposite such Seller's name:

<b>Seller</b>	<b>Shares</b>	<b>% of Company</b>
Cascade Comprehensive Care, Inc.	207.9	3.333%
Umpqua Health, LLC	2,079	33.333%
Marion Polk Community Health Plan Advantage, Inc.	1455.3	23.333%

Schedule 1.1(b)

Each Rollover Seller shall contribute and transfer to Parent, and Parent shall accept from each Rollover Seller, the Company Stock set forth opposite such Seller's name:

<b>Seller</b>	<b>Shares</b>	<b>% of Company</b>
Cascade Comprehensive Care, Inc.	1,871.1	30.0%
Marion Polk Community Health Plan Advantage, Inc.	623.7	10.0%



**STOCK PURCHASE AGREEMENT**  
**Schedule 1.3(a)(i), Sample Net Working Capital Target Calculation**

See attached.

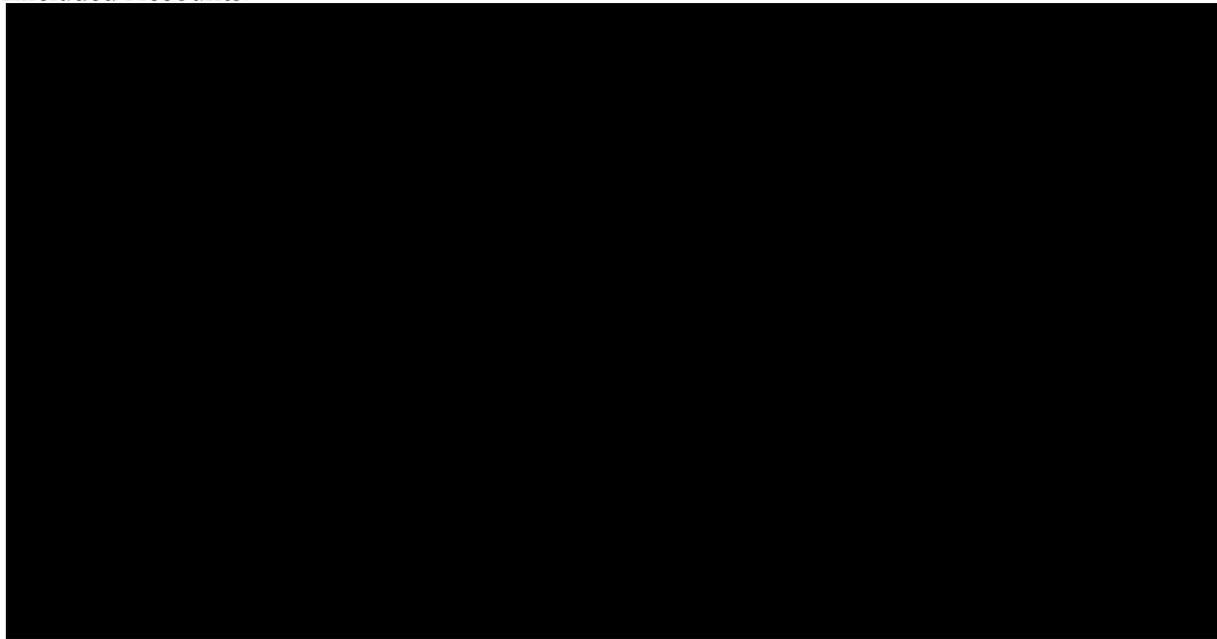
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## Chicago Pacific Founders – Proposed Approach to Net Working Capital Calculation October 31, 2018

Chicago Pacific Founders (“CPF”) has worked extensively with Atrio to understand the cash flows of the business and different components of net working capital. Our general approach is to ensure adequate net working capital is left on the balance sheet at close so that Atrio does not face any liquidity issues. We have attempted to structure and calculate net working capital in a manner which neither harms nor benefits the buyers or sellers. If net working capital is higher than the targeted band at close, the sellers will receive additional cash compensation; if it is lower, the business will receive a cash infusion to ensure adequate liquidity.

CPF proposes that all non-cash current assets and current liabilities be included in the calculation, except for the following accounts (reasons for exclusion are listed as well). This calculation for August and September is shown in the accompanying spreadsheet.

Excluded Accounts:

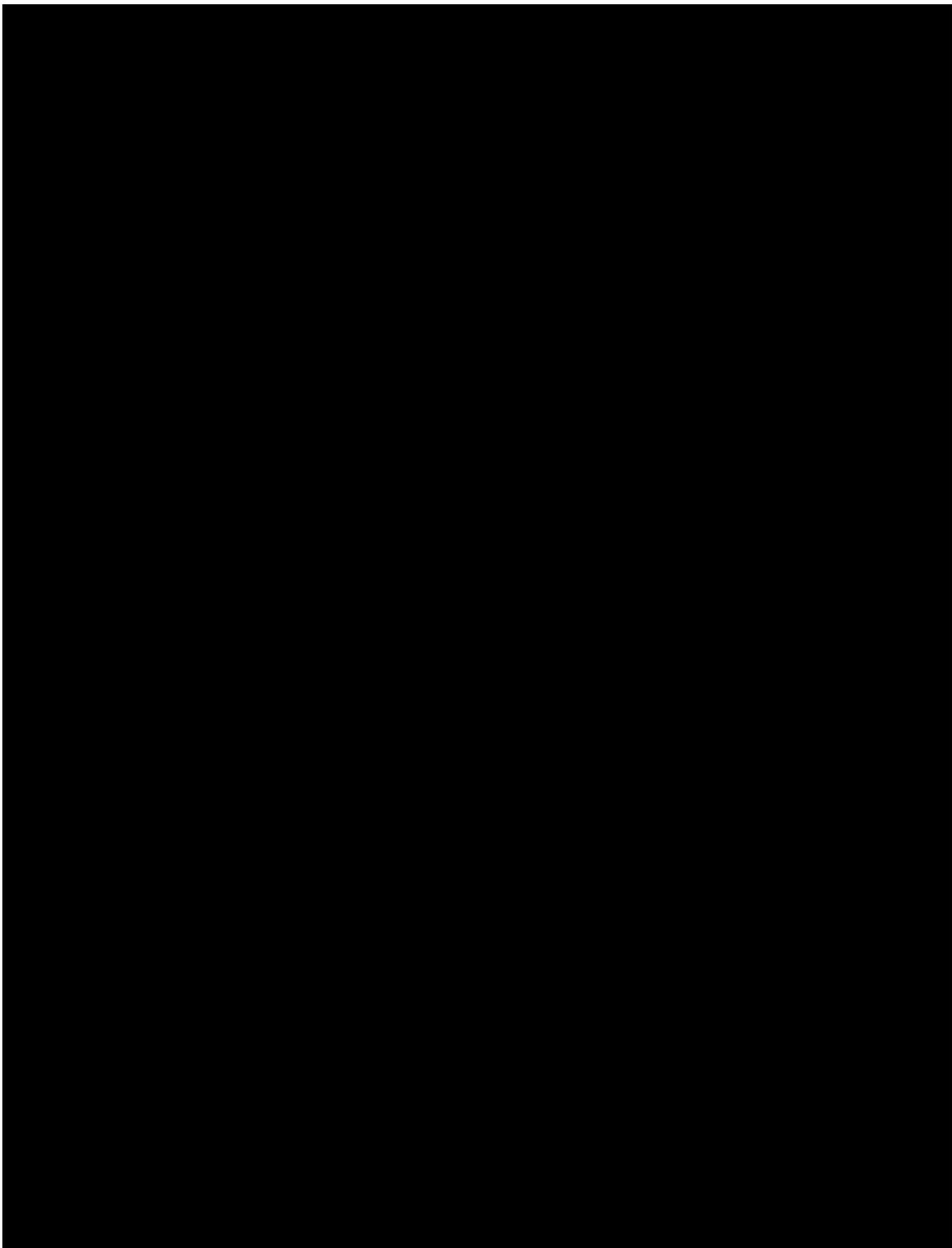


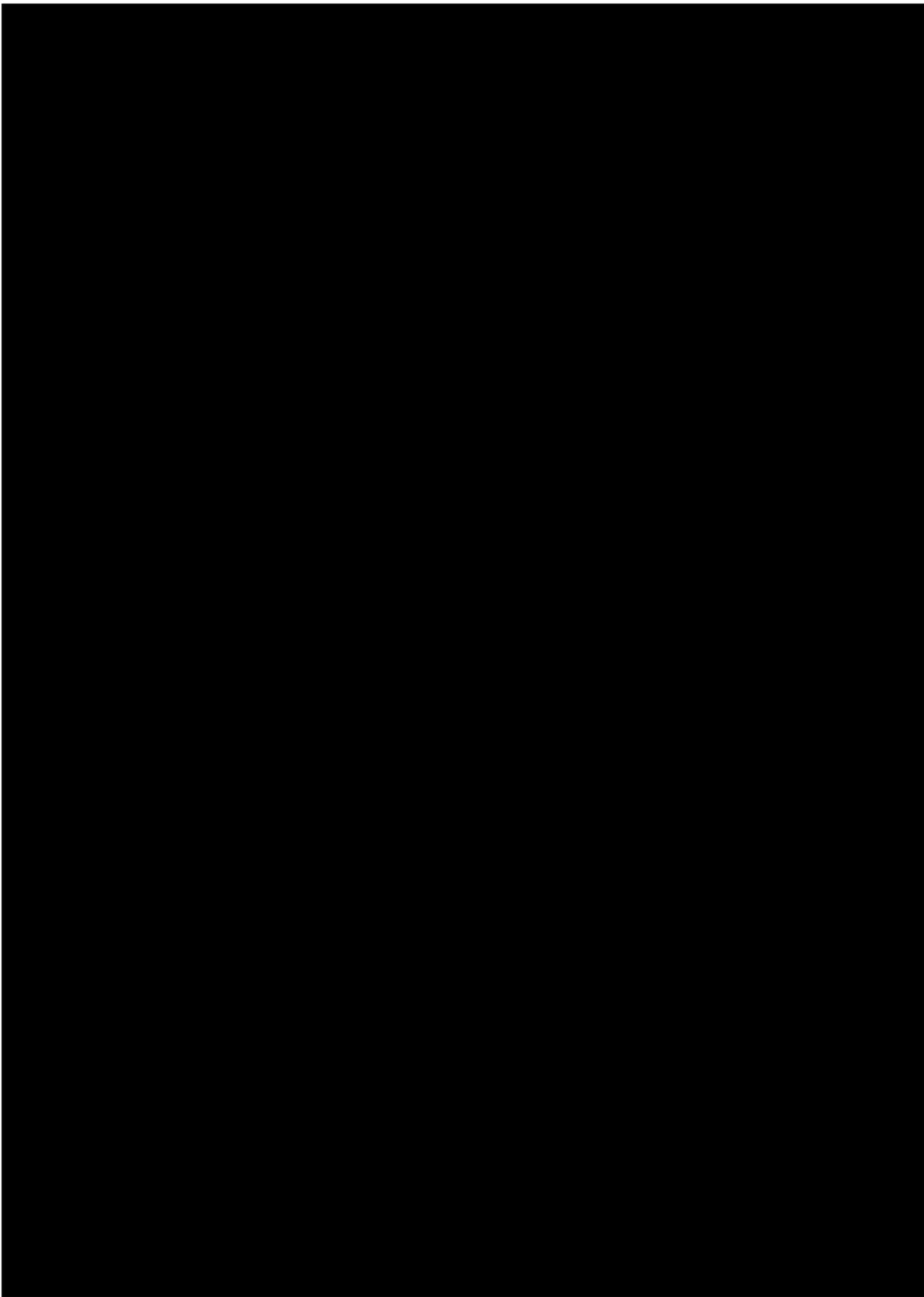
Regarding account **20115 – CMS Premium Received in Advance**, CPF proposes a separate formula to determine what amount of the premiums cash should be left on the balance sheet based on which day of the month the deal closes on.

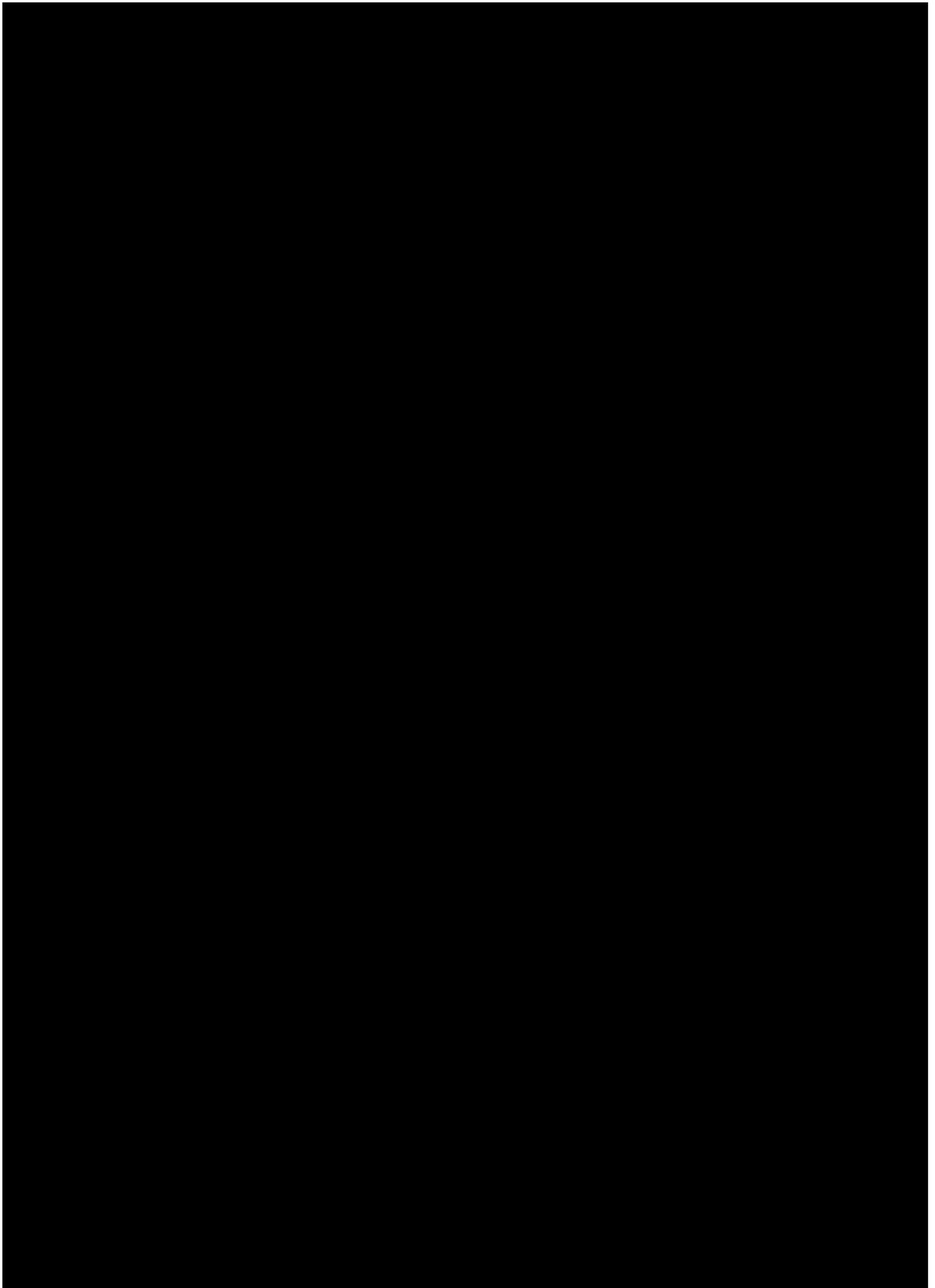
This account represents member premiums paid by CMS each month, typically at the beginning of the month, but sometimes at the end of the preceding month if the first of the month falls on a weekend. Because of this dynamic, month-end balances are either \$0, or ~\$20mm. Since this differential is not a dynamic of business cash flow, but rather of weekend or week timing, CPF would like to handle outside of the net working capital calculation.

CPF proposes the following formula: [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] The accruals related to claims, IBNR, SAC admin fees and other operating expenses will all be accounted for in the net working capital calculation, so the combination of these two mechanisms (NWC and Premiums Paid in Advance Formula) will allow the buyers to effectively earn the net profit margin of the month up to that point in the cash-free, debt-free, cash flow sweep calculation. At the same time, Atrio will be left with enough Premiums cash to cover claims and admin expenses related to the care to be provided for that month.









**STOCK PURCHASE AGREEMENT**  
**Schedule 1.3(a)(ii), Sample Closing Statement**

See attached.

**Schedule 1.3(a)(ii)**

**Sample Closing Statement**

1. Indebtedness: [REDACTED]
2. Seller Transaction Expenses: [REDACTED]
3. Closing Cash Amount: [REDACTED]
4. Estimated Net Working Capital: [REDACTED]



**STOCK PURCHASE AGREEMENT**  
**Schedule 1.5(b)(iii), Special Escrow Deposits**

	Cascade Special Escrow Deposit	Umpqua Special Escrow Deposit	WVP Special Escrow Deposit
	[Redacted]		



[Redacted]

**STOCK PURCHASE AGREEMENT**  
**Schedule 1.5(b)(xii), Company CMS RAPS Liability Cash Reserve**

[Redacted]	<p>ATRIO Health Plans</p> <p>[Redacted]</p>
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[Redacted]

[Redacted]

[Redacted] Note that at Closing this amount may be more or less than such present amount and such specific reserve amount will be adjusted accordingly for purposes of Section 1.5(b)(xii) of the Stock Purchase Agreement [Redacted]

[Redacted]

[Redacted]

[Redacted]



**STOCK PURCHASE AGREEMENT**  
**Schedule 2.1(d), Required Consents**

1. Oregon Department of Consumer and Business Services, Division of Financial Regulation
2. Centers for Medicare and Medicaid Services (CMS)



**STOCK PURCHASE AGREEMENT**  
**Schedule 6.4, Sellers' Release**

The Sellers will be due amounts payable by the Company in the ordinary course of business under their respective Services Agreements with the Company. See the applicable Services Agreements for the specific amounts to be paid by the Company. Such amounts will be confirmed by the Company and Buyer as of at least three (3) days prior to the Closing Date.



**STOCK PURCHASE AGREEMENT**  
**Schedule 8.2(a)(vii)**

[REDACTED]

[REDACTED]

Cascade Comprehensive Care	Umpqua Health	Marion Polk Community Health Plan Advantage	ATRIO Health Plans
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[REDACTED]



**STOCK PURCHASE AGREEMENT**  
**Schedule A-1, Closing Cash Payment**

None.



**STOCK PURCHASE AGREEMENT**  
**Schedule A-3, Permitted Encumbrances**

None.



## INTRODUCTION

The following schedules collectively make up the Disclosure Schedules described in that certain Stock Purchase Agreement, dated December 6, 2018 (the "Agreement"), by and among ATRIO Health Plans, Inc., an Oregon corporation and registered Oregon Benefit Company (the "Company"), Cascade Comprehensive Care, Inc., an Oregon corporation ("Cascade"), Marion Polk Community Health Plan Advantage, Inc., an Oregon corporation ("MPCHPA"), Umpqua Health, LLC, an Oregon limited liability company ("Umpqua" and together with Cascade and MPCHPA, each a "Seller" and collectively, "Sellers"), and Atrio Acquisition Corporation, a Delaware corporation ("Buyer").

All capitalized terms contained in these schedules and not otherwise defined herein shall be deemed to have the same meaning as is set forth in the Agreement. The headings contained in these schedules are for convenience only, and are not intended to limit the effect of any disclosures made in these schedules or to expand the scope of any information required to be disclosed therein.

The disclosure of any information made with respect to the representations and warranties made by the Sellers and/or Company shall not be deemed to constitute an acknowledgment that such information is required to be disclosed in connection with the representations and warranties made by the Sellers and/or Company in the Agreement or that it is material, nor shall such information be deemed to establish a standard of materiality. The inclusion of any item herein shall not be deemed to be an admission of any obligation or liability to any third party of any matter whatsoever. No disclosure in these schedules relating to any possible breach or violation of any agreement, law or regulation shall be construed as an indication that any such breach or violation exists or has actually occurred. A description of any documents contained in these schedules is intended to be a summary of such documents and is qualified by the actual terms of such documents.

The Disclosure Schedules have been arranged for purposes of convenience in separate sections corresponding to the sections of Article III and Article IV; however, information disclosed on one section of the Disclosure Schedules shall be deemed to be disclosed on another section of the Disclosure Schedules or be deemed to be an exception to another representation and warranty in this Article III and Article IV, in each case, only if the relevance of such information to such other section of the Disclosure Schedules is reasonably apparent on its face or an applicable cross-reference is included.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.3(a), Capitalization**

Authorized and issued equity interests of the Company and record owners of the Company:

<b>Shareholder</b>	<b>Series A Voting Stock</b>	<b>Series B Non-Voting Stock</b>	<b>Total Shares</b>	<b>Stock Ownership Percentage</b>
Cascade Comprehensive Care, Inc.	500	1,579	2,079	33.33%
Umpqua Health, LLC	500	1,579	2,079	33.33%
Marion Polk Community Health Plan Advantage, Inc.	500	1,579	2,079	33.33%

Total Shares Authorized: 500,000 shares of Series A Voting Stock  
 1,000,000 shares of Series B Non-Voting Stock

Total Shares Issued: 1,500 shares of Series A Voting Stock  
 4,737 shares of Series B Non-Voting Stock



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.3(b), Equity Interests**

The Company is a member of Willamette Valley Community Health, LLC ("WVCH"), holding ownership of 100 units representing a 9.0909% ownership interest (the "WVCH Interest").

For clarification, ownership of the WVCH Interest and the business of WVCH shall not be deemed part of the Business for purposes of the Agreement. Further, other than confirming its ownership of the WVCH Interest, the Company and Sellers make no representations or warranties concerning WVCH, the WVCH Interest, or the historical and future operations, results, and prospects of WVCH.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.4, Title**

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.5, Consents**

See Schedule 2.1(d).

Oregon Department of Insurance, Division of Financial Regulation oversees Insurance companies in Oregon. The Centers for Medicare and Medicaid Services (CMS) oversees Medicare Advantage plans.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.6, No Conflicts**

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.7, Compliance with Laws; Orders and Permits**

See Schedules 3.17(c) and 3.27.

Permits

Company has been licensed by the Oregon Department of Consumer and Business Services as a Health Care Service Contractor since March 31, 2005.

Company holds the following Medicare Advantage contracts with the Centers for Medicaid and Medicare Services:

Contract	Date Issued
H3814	7/1/2005
H5995	1/1/2011
H6743	1/1/2006
H7006	1/1/2010



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.9, Absence of Certain Changes**

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.10 (a), (b), and (c), Intellectual Property**

(a) Company claims trademark status for the following:



(b) Company has registered the website domain name <https://www.atrionhp.com/>

Company maintains the following social media websites:

- <https://twitter.com/atrionhp>
- <https://www.facebook.com/Atrionhp>

(c) No disclosures



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.11 (a), (b)(i), and (c), Environmental Matters**

No disclosures.



## **STOCK PURCHASE AGREEMENT** **Schedules 3.12(a) and (b), Contracts**

### Schedule 3.12(a)

- (i) [REDACTED]

The Company reasonably expects that services provided by each of the following vendors will result in obligations of \$100,000 or more on an annual basis:

- Cascade Comprehensive Care
  - Medicare Advantage Services Agreement
- Inovalon
  - Vendor for RAPS, HEDIS, and Quality Improvement services
- KPMG
  - Financial audit services
- MedImpact
  - Pharmacy Benefit Manager
- Milliman
  - Actuarial services
- Mid Valley IPA dba WVP Health Authority
  - Medicare Advantage Services Agreement
- Outcomes
  - Medication therapy management services
- Dubraski & Associates
  - Reinsurer broker for PartnerRe
- Performance Health Technology (PhTech)
  - Claims administration and customer service vendor
- Snyder Consulting Services, Inc. d/b/a Alaire IT Group
  - IT support, consulting, technology platform, and security services
- TCS Healthcare Technologies (Trinity Computer Services)
  - Acuity Advanced Care Management software and AcuCare software
- The Sieving Law Firm
  - Legal services
- TriZetto (Cognizant)
  - Enrollment administration services
- Umpqua Health
  - Medicare Advantage Services Agreement



[REDACTED]

- West Annex, LLC
  - Salem office lease

- (ii) [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]:

- BluePeak Advisors
  - Compliance program and audit support services
- Change Healthcare Technologies
  - Vendor provides evidence-based clinical decision support tools
- Computer Technology Corp. dba Cactus
  - Vendor provides ATRIO with credentialing software
- Inovalon
  - Vendor for RAPS, HEDIS, and Quality Improvement services
- MedImpact
  - Pharmacy Benefit Manager
- Scorpion
  - Vendor provides webpage management services
- Solera
  - Vendor administers the Diabetes Prevention Program
- StreamLine Verify
  - Vendor conducts exclusion lists screenings
- TriZetto (Cognizant)
  - Enrollment administration services

- (iii) [REDACTED]  
[REDACTED]  
[REDACTED]

- Operating Agreement of Willamette Valley Community Health, LLC

- (iv) [REDACTED]  
[REDACTED]

- Medicare Advantage Services Agreements with CCC, MPCHPA, and WVP
- Network Services Agreement with Health Alliance of Southern Oregon, LLC



- (v) [REDACTED]  
[REDACTED]  
[REDACTED]
  - Roseburg Office Space – Murray and Atchley, LLC
  - Salem Office Space – West Annex, LLC
  - Grants Pass Sales Office – The Boardroom Executive Suites, LLC
  
- (vi) [REDACTED]
  - Medicare Advantage contracts with The Centers for Medicaid and Medicare Services (H3814, H5995, H6743, H7006)
  - Coordination of Benefits Agreement with the Oregon Health Authority
  
- (vii) [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
  - None
  
- (viii) [REDACTED]  
[REDACTED]  
[REDACTED]
  - None
  
- (ix) [REDACTED]  
[REDACTED]  
[REDACTED]
  - None
  
- (x) [REDACTED]  
[REDACTED]  
[REDACTED]
  - See (i) above
  
- (xi) [REDACTED]  
[REDACTED]



[REDACTED]

- Wendy Edwards Employment Contract

- (xii) [REDACTED]

- None

- (xiii) [REDACTED]

- None

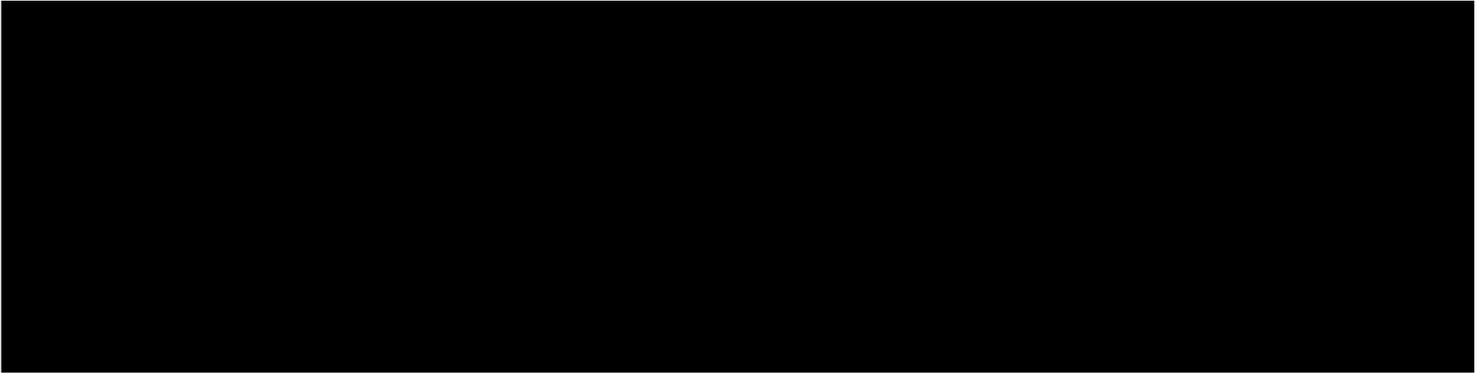
Schedule 3.12(b)

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.13(a), (b), (c) and (d), Litigation**

Schedule 3.13(a)



Schedule 3.13(b)



Schedule 3.13(c)



Schedule 3.13(d)





## **STOCK PURCHASE AGREEMENT** **Schedule 3.14(a) and (b), Insurance**

### **Schedule 3.14(a)**

- General Liability
  - Policy Number: BZA57621282
  - Insurance Company: American Fire & Casualty Company (Liberty Mutual)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Automobile
  - Policy Number: BAW5761282
  - Insurance Company: West American Insurance Company
  - Effective Dates: 2/1/2018 to 2/1/2019
- Property
  - Policy Number: BZA57621282
  - Insurance Company: American Fire & Casualty Company (Liberty Mutual)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Catastrophe Liability
  - Policy Number: USO1957621282
  - Insurance Company: The Ohio Insurance Company (Liberty Mutual)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Crime
  - Policy Number: 8223-3604
  - Insurance Company: Federal Insurance Company (CHUBB)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Automobile
  - Policy Number: BAW5761282
  - Insurance Company: West American Insurance Company
  - Effective Dates: 2/1/2018 to 2/1/2019
- Fiduciary Liability
  - Policy Number: 8224-9773
  - Insurance Company: Federal Insurance Company (CHUBB)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Management Liability - Directors & Officers Liability, Employment Practices Liability
  - Policy Number: MML0771817
  - Insurance Company: Atlantic Specialty Insurance Co. (CRC)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Managed Care - Errors & Omissions
  - Policy Number: MCR-8503-17
  - Insurance Company: Atlantic Specialty Insurance Co. (CRC)



- Effective Dates: 2/1/2018 to 2/1/2019
- Healthcare Professional Liability
  - Policy Number: MM20152563-02
  - Insurance Company: Capitol Specialty Insurance Company (Ethos)
  - Effective Dates: 2/1/2018 to 2/1/2019
- Cyber, Privacy Liability
  - Policy Number: ESG02501298
  - Insurance Company: Apogee / Underwriters at Lloyd's London
  - Effective Dates: 2/1/2018 to 2/1/2019

Schedule 3.14(b)

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.15 and 3.15(h) Employee Benefit Plans**

Schedule 3.15

ATRIO contributes, in part or in full, to the following benefits under our Employee Benefit Plan:

1. Medical benefit plan (PPO and HSA)
2. Group Dental plan (PPO and inclusive plan)
3. Group Vision plan
4. Short Term Disability (STD) plan
5. Long-Term Disability (LTD) plan
6. Accidental Death and Dismemberment (ADD) plan
7. Employee Life Insurance
8. 401(k) retirement plan

ATRIO offers the following additional benefits to our employees with no employer contribution:

1. Voluntary ADD plan
2. Voluntary Life Insurance
3. Long Term Care plan
4. Dependent Care and Health Care Flexible Spending Accounts

Schedule 3.15(h)

No disclosures.



## **STOCK PURCHASE AGREEMENT**

### **Schedule 3.16(b), Taxes**

Company currently files Tax Returns in the following jurisdictions:

- State of Oregon
- United States



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.17(a), (b), and (c), Labor Matters**

Schedule 3.17(a)

None.

Schedule 3.17(b)

None.

Schedule 3.17(c)



## **STOCK PURCHASE AGREEMENT** **Schedules 3.18(a), (b), and (c), Real Property**

### Schedule 3.18(a)

None.

### Schedule 3.18(b)

#### **Roseburg:**

Company leases approximately 6,000 square feet of office space at 2270 NW Aviation Dr., Suite 3, Roseburg, OR 97470. The Lessor is Murray & Atchley, LLC. Current lease expires April 1, 2019, with the option of Company to exercise two successive one year renewal terms.

#### **Salem:**

Company leases approximately 14,630 square feet of office space at 2965 Ryan Drive SE, Salem, OR 97301. The Lessor is West Annex, LLC, a wholly-owned subsidiary of Mid Valley IPA, Inc. dba WVP Health Authority. Current lease expires November 30, 2022, with the option of Company to exercise two successive five year renewal terms.

#### **Grants Pass:**

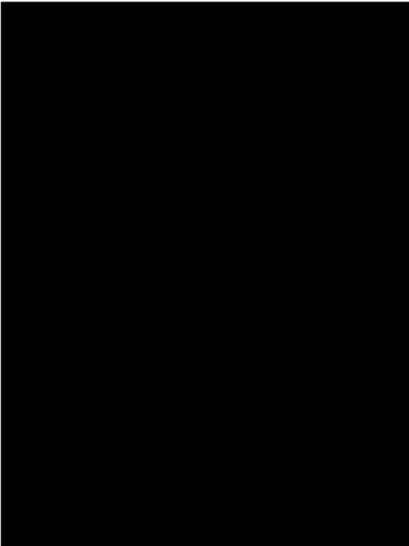
Company leases on-demand office space at 1867 Williams Highway, Grants Pass, OR 97527. The Lessor is The Boardroom Executive Suites, LLC. Under the arrangement, Company has access to a day use office 16 hours per month and access to a conference room two hours per month, with the option to purchase additional use. This arrangement can be terminated with 30 day's advance notice.

### Schedule 3.18(c)

Company has an amendment to its lease with West Annex, LLC whereby Company has provided West Annex, LLC with exclusive use to ten parking spaces in exchange for a credit against the monthly rent.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.19, Liabilities**



Cascade Comprehensive Care	Umpqua Health	Marion Polk Community Health Plan Advantage	ATRIO Health Plans
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**STOCK PURCHASE AGREEMENT**  
**Schedule 3.20, Fees**

No disclosures.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.21, Product Warranties; Defects; Liability**

See disclosures on Schedule 3.27.



## **STOCK PURCHASE AGREEMENT**

### **Schedules 3.22(a), (b), and (c), Related Party Transactions**

#### Schedule 3.22(a)

Parties to and the date and nature each Related Party Transaction since December 31, 2016 and the services provided by any Related Party to the Company or the Business are listed below. The amounts paid under each Related Party Transaction are dictated by the terms of each applicable agreement.

1. Medicare Advantage Services Agreement between Company and Umpqua Health, LLC dated January 1, 2011, for administrative services and health care services.
2. Medicare Advantage Services Agreement between Company and Cascade Comprehensive Care, Inc. dated January 1, 2011, for administrative services and health care services.
3. Medicare Advantage Services Agreement between Company and Mid Valley IPA, Inc. dba WVP Health Authority dated November 1, 2011, for administrative services and health care services. Mid Valley IPA, Inc. is the parent organization of Marion Polk Community Health Plan Advantage, Inc.
4. Services Agreement between Company and Mid Valley IPA, Inc. dba WVP Health Authority dated October 4, 2011, for additional administrative services.
5. Hospital Medicare Advantage Services Agreement between Company and Mercy Medical Center, Inc. dated January 1, 2011, for health care services. Mercy Medical Center, Inc. is a member of Umpqua Health, LLC.
6. Hospital Medicare Advantage Services Agreement between Company and Sky Lakes Medical Center, Inc. dated January 1, 2011, for health care services. Sky Lakes Medical Center, Inc. is an owner of Cascade Comprehensive Care, Inc.
7. Commercial Lease between Company and West Annex, LLC dated October 4, 2017, for office space in Salem, OR. West Annex, LLC and Marion Polk Community Health Plan Advantage, Inc. share the same parent organization, Mid Valley IPA, Inc.

#### Schedule 3.22(b)

None, other than the agreements listed above.



Schedule 3.22(c)

None, other than commercial lease with West Annex, LLC listed above.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.23, Customers, Suppliers**

The Company's customers are Medicare Advantage Plan enrollees, and enrollees come and go on a regular basis.

The Company's suppliers include Umpqua and MPCHPA, both of whom have discussed at times terminating its Services Agreement with the Company since the Balance Sheet Date.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.25, Credit Support**

None.



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.26(a), (b), (c), and (d), Corporate Names; Discontinued Operations; Business Locations**

Schedule 3.26(a)

None. Company uses its legal name, ATRIO Health Plans, as its trade name.

Schedule 3.26(b)

None.

Schedule 3.26(c)

None.

Schedule 3.26(d)

**Roseburg**

- Current office space and corporate headquarters since April 2010
  - 2270 NW Aviation Dr, Ste. 3, Roseburg, OR 97470
- Additional office space (March 2015 – June 2017)
  - 2250 NW Aviation Dr, Roseburg, OR 97470

**Salem**

- Current office space since October 2017
  - 2965 Ryan Dr SE, Salem, OR 97301
- Previous office space (September 2013 – October 2017)
  - 3025 Ryan Dr SE, Salem, OR 97301

**Grants Pass**

- Current office space (one sales agent) since August 2014
  - 1867 Williams Hwy, Grants Pass, OR 97527

**Klamath Falls**

- Current office space (one sales agent) since July 2010
  - 2909 Daggett Ave, Ste. 250, Klamath Falls, OR 97601

**Bend**

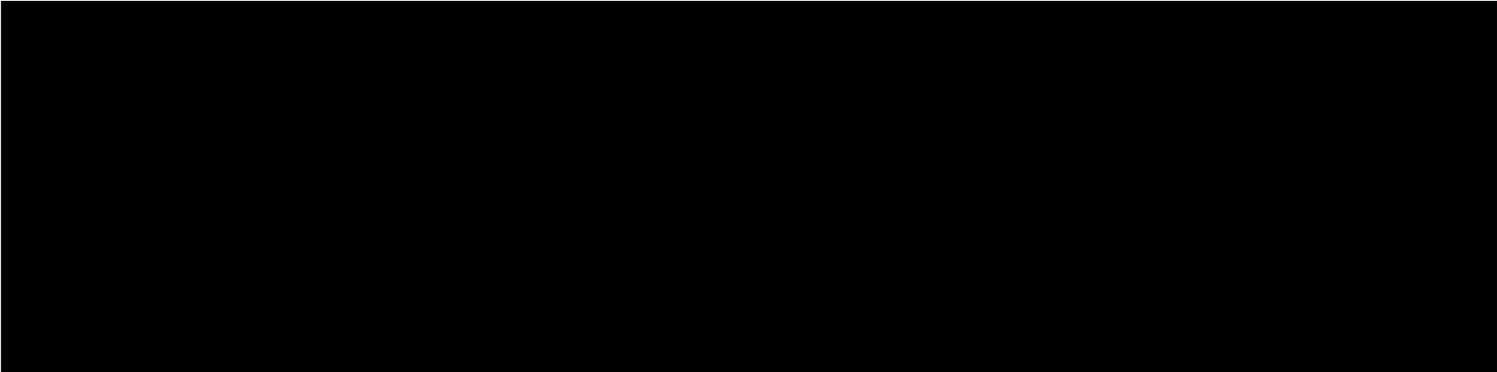
- Previous office space (October 2016 – July 2017)
  - 243 SW Scalehouse Loop, Bend, OR 97702



**STOCK PURCHASE AGREEMENT**  
**Schedules 3.27(a), (b), (d), (j), and (l), Healthcare and Regulatory Matters**

Schedule 3.27(a)  
No disclosures.

Schedule 3.27(b)



Schedule 3.27(d)  
No disclosures.

Schedule 3.27(h) and (i)  
See 3.27(b) and (j).

Schedule 3.27(i)



	Cascade Comprehensive Care	Umpqua Health	Marion Polk Community Health Plan Advantage	ATRIO Health Plans



Schedule 3.27(I)  
None.



**STOCK PURCHASE AGREEMENT**  
**Schedule 3.28, Indebtedness**

None.



**STOCK PURCHASE AGREEMENT**  
**Schedule 4.4, Consents**

Sellers divesting of a controlling interest in the Company must provide notice to DCBS in connection with this Agreement and the Transactions pursuant to ORS 732.521(4)(a). Also, consent or approval of DCBS may need to be obtained by each Seller pursuant to ORS 732.521(4)(b).



**STOCK PURCHASE AGREEMENT**  
**Schedule 4.6, Fees**

None.

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