

Exhibit “A”

Winnie-Stowell Hospital District

Balance Sheet

November 19, 2014

Cash

	\$229,203.94	Prosperity Operating	
	\$500.00	Funds returned Chambers Crt	(election fees)
	\$49,790.82	Comptroller -- Deposit Nov	
Cash Balance	<u>\$279,494.76</u>		

Accounts Paid (in between regular meetings)

(Outstanding Checks)

10/22/2014	\$50.00	1598	WSHD - WF Sweep Account
10/30/2014	\$35.42	1599	Wilcox- UPS Overnight
11/6/2014	\$509.03	1600	TimeWarner Cable
11/13/2014	\$38.77	1601	Wilcox- UPS Overnight

Accounts Payable

Inv No.'s

	\$0.00	Chambers County-Indigent care	
		Benckenstein & Oxford	
	\$500.00	Hubert Oxford/B&O	1/2 retainer
	\$500.00	Josh Heinz/B&O	1/2 retainer
		Mary Ellen Robertson	CPA
	\$170.10	TimeWarner Cable	
	\$131.85	Quill	Inv 7412443
	\$50.00	Carroll R Hand Ins Agency	Inv 11460-EM Bond
	\$50.00	Carroll R Hand Ins Agency	Inv 11461-JR Bond
	\$50.00	Carroll R Hand Ins Agency	Inv 11462-EH Bond
	\$2,656.00	Sherrie Norris	(Oct 1 to Nov 14)
	\$169.45	Sherrie Norris	Admin Expenses (Oct)
Total Liabilities	<u>\$4,910.62</u>		

Total Cash Balance **\$274,584.14**

Winnie-Stowell Hospital District

Balance Sheet

November 19, 2014

Investments

	\$223,448.98	TexStar	
	\$103,363.26	Prosperity CD (447)	
	\$50.00	Caring Wells Fargo (9528)	Garrison
	\$50.00	Caring Wells Fargo (9510)	Golden Villa
	\$50.00	Caring Wells Fargo (9544)	Highland Park
	\$50.00	Caring Wells Fargo (9460)	Marshall Manor N&R
	\$50.00	Caring Wells Fargo (1386)	Marshall Manor West
	\$50.00	Caring Wells Fargo (1378)	Rose Haven
	\$50.00	Caring Wells Fargo (7018)	Spring
	\$50.00	Skilled Wells Fargo (9502)	Clairmont
	\$50.00	Skilled Wells Fargo (9494)	Hallettsville
	\$50.00	Skilled Wells Fargo (9452)	Monument Hill
	\$50.00	Skilled Wells Fargo (3691)	Oak Manor
	\$50.00	Skilled Wells Fargo (9437)	Oakland Manor
	\$50.00	Skilled Wells Fargo (7133)	Woodlands
	\$50.00	Sweep Account	

Total Investments **\$327,512.24**

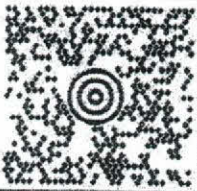
Total Fund Balance **\$602,096.38**

Agenda Item 5 Invoices

WINNIE - STOWEEL HOSPITAL DISTR
(409) 296-2497
415 HWY 124
WINNIE TX 77665

LTR 1 OF 1

SHIP TO:
DAVID B SMITH
10806 LITTLE THICKET RD
AUSTIN TX 78736



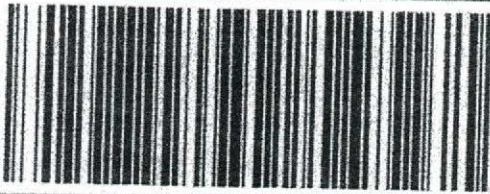
TX 787 9-02



UPS NEXT DAY AIR

TRACKING #: 1Z 770 E47 01 4389 4123

1



BILLING: P/P

W8 16.0.31

54.0A 07/2014

SEE SERVICE ON RECEIPT regarding UPS terms, and notice of location of facility. Where allowed by law, Shipper authorizes UPS to act as forwarding agent for export control and customs purposes. If reported from the US, Shipper certifies that the commodities, technology or software were exported from the US in accordance with the Export Administration Regulations. Diversion contrary to law is prohibited. 850 2 0914

15.42

Wilcox Pharmacy
415 Highway 124
Winnie, TX 77665-6006
Phone: (409) 296-2497
Fax: (409) 296-2032

Oct 30 2014 2:01PM
Receipt # 71353
Cashier: vanessa r
Drawer #: POS01 - 1792

UPS 35.42

Subtotal 35.42

Tax Total 0.00

Items: 1 Total 35.42

Check #1599 Tendered 35.42





Customer service
Call us anytime: 1-866-519-1263
Manage your account:
business.twc.com/myaccount
Visit us online: business.twc.com

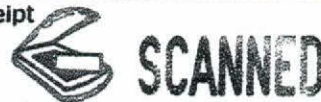
Account number
8260 17 029 0121119
Customer code 1931

Rec'd 11/3/14

Due date upon receipt Service period 10/05-11/04 Amount due **\$509.03**

Service address
Winnie Stowell Hospital
Account Phone 406-201-3922
538 Broadway
Wshd Rm
Winnie, TX 77665-7600

Previous balance & payments	
Balance last statement	338.97
Unpaid balance	338.97
Current month	
Monthly services	149.94
Surcharges	10.02
Taxes and fees	10.10
Total due upon receipt	\$509.03



I believe this is yours. I recieved it & put it into our system by accident.

-Laura



7010 AIRPORT RD EL PASO TX 79906-4943
8260 1700 NO RP 26 09272014 NYNNYNN 01 008221 0030

WINNIE STOWELL HOSPITAL
538 BROADWAY
WSHD RM
WINNIE, TX 77665-7600



Payment due date
upon receipt

Account number
8260 17 029 0121119

Please write your account number on your check

Please enclose this coupon with your payment.

**Please allow 7-10 days for delivery and payment processing. See reverse side for more convenient payment options.

Total amount due
\$509.03

Amount enclosed
509.03

CK #1600

TIME WARNER CABLE
PO BOX 60074
CITY OF INDUSTRY CA 91716-0074

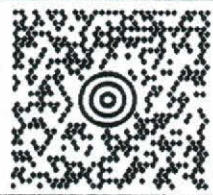


826017029012111900509034

SHIP TO:

SKILLED HEALTHCARE
(949) 282-5861
MICHAEL DOLAN
27442 PORTOLA PKWY, SUITE 200
FOOTHILL RANCH CA 92610

\$38.77



CA 926 9-04



UPS NEXT DAY AIR

1

TRACKING #: 1Z 770 E47 01 4465 9377



BILLING: P/P

WS 16.0.31 64.0



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Wilcox Pharmacy
415 Highway 124
Winnie, TX 77665-6006
Phone: (409) 296-2497
Fax: (409) 296-2032

Nov 13 2014 4:01PM
Receipt # 72785
Cashier: cinthia I
Drawer #: POS01 - 1826

UPS 38.77

Subtotal 38.77

Tax Total 0.00

Items: 1 Total 38.77

Check #1601 Tendered 38.77





Customer service
Call us anytime: 1-866-519-1263
Manage your account:
business.twc.com/myaccount
Visit us online: business.twc.com

Account number
8260 17 029 0121119
Customer code **1931**

Due date	Service period	Amount due
upon receipt	11/05 - 12/04	\$679.13

Service address
Winnie Stowell Hospital
Account Phone 406-201-3922
538 Broadway
Wshd Rm
Winnie, TX 77665-7600

Previous balance & payments	
Balance last statement	509.03
Unpaid balance	509.03

Current month	
Monthly services	149.94
Surcharges	10.06
Taxes and fees	10.10

Total due upon receipt	\$679.13
-------------------------------	-----------------



7010 AIRPORT RD EL PASO TX 79906-4943
8260 1700 NO RP 26 10272014 NYNNYNN 01 008143 0034

WINNIE STOWELL HOSPITAL
538 BROADWAY
WSHD RM
WINNIE, TX 77665-7600



Please enclose this coupon with your payment.

**Please allow 7-10 days for delivery and payment processing. See reverse side for more convenient payment options.

Payment due date
upon receipt

Total amount due \$679.13

Account number
8260 17 029 0121119

Amount enclosed 170.¹⁰

Please write your account number on your check.

Pd 509.03
CK# 1600

TIME WARNER CABLE
PO BOX 60074
CITY OF INDUSTRY CA 91716-0074



826017029012111900679134

HUSCH BLACKWELL

111 Congress Avenue, Suite 1400, Austin, Texas, 78701, (512) 472-5456, Federal ID No. 26-1688286

Hubert Oxford, IV Benckenstein & Oxford, L.L.P.
3535 Calder Ave., Suite 300
Beaumont, TX 77706

PAYMENT DUE UPON RECEIPT

Date: November 14, 2014
Invoice No. 2182166

INVOICE SUMMARY

For Professional Services Rendered and Costs Advanced Through October 31, 2014
(See attached pages for detail)

Our Reference No. 6061577-0000001

Hospital Organization/Compliance Matters

Total Professional Services	\$	29,595.00
Total Disbursements and Other Charges	\$	0.00
Total Amount this Invoice	\$	29,595.00

CONFIDENTIAL INFORMATION PROTECTED BY ATTORNEY-CLIENT PRIVILEGE

HUSCH BLACKWELL

111 Congress Avenue, Suite 1400, Austin, Texas, 78701, (512) 472-5456, Federal ID No. 26-1688286

Hubert Oxford, IV Benckenstein & Oxford, L.L.P.
3535 Calder Ave., Suite 300
Beaumont, TX 77706

PAYMENT DUE UPON RECEIPT

Date: November 14, 2014
Invoice No. 2182166

For Professional Services Rendered and Costs Advanced Through October 31, 2014

Our Reference No. 6061577-0000001

Hospital Organization/Compliance Matters

Date	Professional Services	Hours	Amount
10/03/14	Review effective date of Change of Ownership of nursing homes to determine eligibility for nursing home UPL program. E. Weatherford	0.40	\$178.00
10/06/14	Telephone conference with Hubert Oxford regarding UPL source of IGT funding (.5); exchange e-mail with D. Coates regarding UPL analysis (.1). M. Chouteau	0.60	\$282.00
10/06/14	Confer regarding IGT sourcing issues for Winnie Stowell hospital district. D. Coates	0.80	\$256.00
10/08/14	Office conference with D. Coates regarding his review of materials forwarded by Hubert Oxford (.2); review H. Oxford's e-mail (.2); begin reading documents attached to H. Oxford's e-mail (.9). M. Chouteau	1.30	\$611.00
10/09/14	Begin review of documents sent by Hubert Oxford this morning (.4); finish review comments to new regulations and other documents received from H. Oxford (1.1); read the Alameda case (.4); read the Rosa case (.6); review GAO report regarding TN UPL (.3); review DAB Opinion regarding Minnesota's UPL program (.7). M. Chouteau	3.50	\$1,645.00
10/09/14	Review correspondence, case materials, and background information for issue regarding IGT sourcing sent by H. Oxford. D. Coates	3.50	\$1,120.00

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Date	Professional Services	Hours	Amount
10/10/14	Review Hubert Oxford's e-mail (.1); office conference with D. Coates regarding UPL analysis (.2); review H. Oxford's e-mail again in light of discussion with D. Coates (.2) review Maryland case forwarded from H. Oxford (.5); review Attorney General Opinion received from H. Oxford (.1). M. Chouteau	1.10	\$517.00
10/12/14	Research additional case law regarding ability of public entities for reuse the state share of Medicaid funding as a future source of IGT. D. Coates	1.80	\$576.00
10/13/14	Review Hubert Oxford's e-mail and attached letter (.4); review CMS SMDL 14-004 carefully (.6); exchange e-mail with D. Coates (.1); search for and review SMDL 13-003 (.3); begin outlining issues to address in opinion as set forth in several e-mails and accompanying documents (.4); begin review of Management Agreement in light of SMDL 14-003 (.2); finish review of Management Agreement terms (.3); review Black opinion (.4); review HHSC audit report regarding TN UPL program (.5); review Minn. DAB appeal regarding UPL issues (.9); review AG Opinion (.2). M. Chouteau	4.30	\$2,021.00
10/13/14	Draft outline of compliance concerns with IGTs using loans as the source of funds (1.1); determine whether the restriction on federal funding as an IGT source prohibits the use of the State share of Medicaid payments (1.5). D. Coates	2.60	\$832.00
10/14/14	Exchange e-mail with Hubert Oxford and D. Coates (.1); meeting with D. Coates to discuss UPL research and analysis (.6); conference with E. Weatherford and D. Coates regarding UPL analysis (.4); telephone conference with H. Oxford and D. Coates (1.1); confer with D. Coates regarding preparation of of opinion (.2); telephone conference with H. Oxford regarding UPL and opinion letter (.2); notes to file (.1). M. Chouteau	2.70	\$1,269.00
10/14/14	Research DAB opinions and CMS deferrals involving recycling (2.1); draft overview of same (.7). D. Coates	2.80	\$896.00
10/15/14	Exchange e-mail with Hubert Oxford and e-mail to D. Coates regarding status of opinion draft (.2); exchange e-mail with D. Coates (.1). M. Chouteau	0.30	\$141.00
10/16/14	Draft legal background of principles of supplemental Medicaid funding to incorporate into analysis of the District's financing of nursing home UPL payments. D. Coates	5.70	\$1,824.00

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Date	Professional Services	Hours	Amount
10/17/14	Office conference with D. Coates regarding content of opinion letter (.2); review Hubert Oxford's e-mail with Trent (.1). M. Chouteau	0.30	\$141.00
10/17/14	Continue draft of opinion letter for District on financing arrangements for nursing home UPL. D. Coates	4.10	\$1,312.00
10/18/14	Review Rose case for impact on IGT analysis (.3); review Tennessee DAB opinion on recycling and use of loans (.5); review CMS Tool for determining whether an entity is public (.6); continue drafting opinion letter of IGT funding mechanisms and incorporate analysis of same (2.9). D. Coates	4.30	\$1,376.00
10/19/14	Continue draft of opinion letter for District on funding mechanisms for IGTs (2.8); determine whether provisions in the management agreement impact the position of the nursing facilities as public (2.6). D. Coates	5.40	\$1,728.00
10/20/14	Review Indiana's state plan Amendment and D. Coates' e-mail draft of opinion (.5); review e-mail regarding lady in Anahuac and H. Oxford's reply (.4); begin preparation of Opinion Letter to H. Oxford (2.4); telephone conference with H. Oxford to discuss Anahuac's misbehavior and review of Petition forwarded by H. Oxford regarding same (.8); review Medicaid Report on TN audit and discuss Opinion Letter with D. Coates (.3). M. Chouteau	3.40	\$1,598.00
10/20/14	Continue analyzing IGT mechanisms for district to fund nursing homes (1.3); determine whether consultant agreement violates contingency fee if based on a per bed rate (2.6); review DAB opinion and CMS decisions in Tennessee, Alaska and Missouri on redirection of Medicaid funds to determine whether there is any risk to the District (.4). D. Coates	4.30	\$1,376.00
10/21/14	Exchange e-mail with Hubert Oxford regarding VMG as valuator (.1). M. Chouteau	0.10	\$47.00
10/22/14	Review draft opinion letter (.5); finish rough draft of opinion letter (.7); review and edit rough draft of opinion letter and forward under e-mail to E. Weatherford for his review and comment given his experience with UPL programs (.3); e-mail exchange with E. Weatherford regarding review of rough draft of opinion letter to address any concerns with opinion (.1). M. Chouteau	1.60	\$752.00
10/22/14	Revise opinion letter to incorporate changes and additional concepts from E. Weatherford and M. Chouteau. D. Coates	2.40	\$768.00

**CONFIDENTIAL INFORMATION
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Date	Professional Services	Hours	Amount
10/23/14	Review information sent by Mr. Oxford on constitutional Texas provisions to determine whether there is an issue of governmental law and whether the District requires any special approval to loan money for IGTs. D. Coates	2.90	\$928.00
10/24/14	Analyze issues affected by Texas constitutional provisions and case law on the District's ability to enter into a line of credit or a loan (1.2); draft overview of response to issues of governmental law and whether a loan in excess of certain timeframes would violate constitutional or statutory provisions (1.2). D. Coates	2.40	\$768.00
10/27/14	Revise correspondence regarding governmental law questions to Mr. Oxford (.6); review statutory prohibitions on loans for hospitals in Texas Code (1.2). D. Coates	1.60	\$512.00
10/28/14	Review H. Oxford's e-mail with IGT borrowing and analysis thereof (.2); exchange e-mail with D. Coates and E. Weatherford regarding IGT borrowing and revise e-mail to H. Oxford (.3); review several e-mail exchanges between E. Weatherford, D. Coates and me, and review H. Oxford's reply to our e-mail to him (.4). M. Chouteau	0.90	\$423.00
10/28/14	Confer with Mr. Oxford regarding outstanding issues of governmental law; revise draft of answer to same. D. Coates	1.60	\$512.00
10/28/14	Review and revise opinion letter regarding funding nursing home UPL. E. Weatherford	1.80	\$801.00
10/29/14	Review VMG arrangement letter at H. Oxford's request and e-mail to H. Oxford regarding reasonableness of same (.3); office conference with D. Coates regarding status of project and what to do next (.1). M. Chouteau	0.40	\$188.00
10/29/14	Revise opinion letter to incorporate additional changes by E. Weatherford. D. Coates	1.30	\$416.00
10/29/14	Emails from D. Coates and M. Choteau regarding legality of borrowing from private lender; conference with D. Coates regarding same. J. Harris	0.50	\$257.50
10/29/14	Review and revise opinion letter regarding nursing home UPL; telephone call with D. Coates regarding analysis of public funds. E. Weatherford	1.60	\$712.00

**CONFIDENTIAL INFORMATION
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Date	Professional Services	Hours	Amount
10/30/14	Research regarding legal authority controlling a Health District's ability to borrow money from a private source to be paid back from revenue derived from the operation of District-owned nursing homes. J. Harris	0.70	\$360.50
10/31/14	Final revisions on opinion letter. D. Coates	1.90	\$608.00
10/31/14	Review several e-mail exchanges regarding information necessary for opinion letter and draft of opinion letter (.2). M. Chouteau	0.20	\$94.00
10/31/14	Analyze options for funding state share of nursing UPL payments; conference calls regarding same. E. Weatherford	1.50	\$667.50
10/31/14	Review district creation documents; review Texas Health & Safety Code provision regarding authority of hospital districts to issue debt and borrow money; review Texas constitution provisions relating to Legislature's authority to create hospital districts; telephone conference with D. Coates regarding same. J. Harris	2.10	\$1,081.50
Total Hours and Fees		<u>78.70</u>	<u>\$ 29,595.00</u>

Timekeeper	Title	Rate	Hours	Fees
E. Weatherford	PARTNER	445.00	5.30	\$2,358.50
J. Harris	PARTNER	515.00	3.30	\$1,699.50
M. Chouteau	PARTNER	470.00	20.70	\$9,729.00
D. Coates	ASSOCIATE	320.00	49.40	\$15,808.00
			Total Professional Services	\$ 29,595.00
				<u>Current Invoice Due</u>
				<u>\$ 29,595.00</u>
				Other Outstanding Invoices
				\$ 47.00
				<u>Total Balance Due</u>
				<u>\$ 29,642.00</u>

**CONFIDENTIAL INFORMATION
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HUSCH BLACKWELL

111 Congress Avenue, Suite 1400, Austin, Texas, 78701, (512) 472-5456, Federal ID No. 26-1688286

Our Reference No. 6061577-0000001

PAYMENT DUE UPON RECEIPT

Hospital Organization/Compliance Matters

Date: November 14, 2014
Invoice No. 2182166

For Professional Services Rendered and Costs Advanced Through October 31, 2014

Total Professional Services	\$	29,595.00
Total Disbursements and Other Charges	\$	0.00
Total Current Invoice	\$	29,595.00

Other Invoices Outstanding:

Our records indicate that the following invoices are outstanding. For your convenience, a list of these outstanding invoices is below. If payment has been remitted, please disregard. If not, we would appreciate your payment as soon as possible. Should you need a copy of the invoice(s) faxed or e-mailed, please call (512) 479-1158, or email ARInfo@HuschBlackwell.com.

<u>Date</u>	<u>Invoice</u>	<u>Balance</u>
10/08/14	2171088	\$47.00
Total		\$47.00

Current Invoice	\$29,595.00
Other Invoices Outstanding	\$47.00
Total Balance Due	\$29,642.00

THIS INVOICE IS PAYABLE UPON RECEIPT. PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE.

(Please reference your client and/or invoice number when submitting payment. Thank you!)

For wire transfer instructions, please email:
ARInfo@huschblackwell.com

Mail Payments to:
Husch Blackwell LLP
P.O. Box 802765
KANSAS CITY, MO 64180

MARY ELLEN ROBERTSON
CERTIFIED PUBLIC ACCOUNTANT
985 IH-10 NORTH, SUITE 101
BEAUMONT, TEXAS 77706

(409) 892-8901

Invoice # 141122
November 17, 2014

Winnie-Stowell Hospital District
P. O. Box 1997
Winnie, TX 77665-1997

Accounting services rendered as follows:

General Ledger Write-Up for September, 2014
1 months @ \$500.00 per month

500.00

Amount Due

500.00

Please remit to: P. O. Box 5151
Beaumont, TX 77726

MARY ELLEN ROBERTSON
CERTIFIED PUBLIC ACCOUNTANT
985 IH-10 NORTH, SUITE 101
BEAUMONT, TEXAS 77706

(409) 892-8901

Invoice # 141121
November 17, 2014

Winnie-Stowell Hospital District
P. O. Box 1997
Winnie, TX 77665-1997

Accounting services rendered as follows:

General Ledger Write-Up for August, 2014	
1 months @ \$500.00 per month	500.00
Additional Hours - Nursing Home Program (see attached)	687.50
Amount Due	<u><u>\$1,187.50</u></u>

Please remit to: P. O. Box 5151
Beaumont, TX 77726

MARY ELLEN ROBERTSON, CPA

Winnie Stowell Hospital District
Timekeeping for the months of July thru October, 2014
Nursing Home Program Only

Date	Description	Time
7/16/2014	Changes to Budget for Board Meeting	0.25
7/18/2014	Additional work on budget and general ledger	3.00
8/20/2014	Budget Revision #2	1.00
8/21/2014	Telephone discussion with auditor	1.00
8/22/2014	Questions about securing bond	0.25
	Total Hours	5.50
	Hourly Rate	<u>\$125.00</u>
	Additional amount to bill	<u><u>\$687.50</u></u>



31493:
Order Date : 10/29/2014
Ship Date : 10/29/2014
InvoiceDate : 10/29/2014
TIN : 36-2952904

P.O. Box 37600 Philadelphia, PA 19101-0600
Customer Service: 1-800-789-8965

0016884 01 AB 0.403 **AUTO T7 0 1816 77665-199797 -C01-P16892-I
Sold To:

Winniestowell Hospital Distri



Po Box 1997
Winnie TX 77665-1997

Ship To:
Winnie Stowell Hospital Distri
Sherrie Norris
538 Broadway
Winnie TX 77665



1816-01-00-0016884-0001-0022709

Customer PO : norrissherrie Order# : 73154276 Invoice# : 7412443 Account# : C7769473

Item Number	Description	Color	Qty shipped	Price/UM	Extended
901-7-28200	Qb 2.8 mil topload sht protect	Clear	1	\$23.99/box	\$23.99
901-7-40913-RD	Qb 1/3-Cut letter size folders	Red	1	\$16.29/box	\$16.29
901-12221Q	Z-Grip 24Pk black	Black	1	\$11.99/pack	\$11.99
901-7-40022	Quill ruled pads, 8-1/2X11	Yellw	1	\$9.99/dozen	\$9.99
901-P-1KS	Qb paper clips, regular smooth		1	\$5.49/pack	\$5.49
901-P-1JG	Qb paper clips, jumbo smooth		1	\$10.99/pack	\$10.99
901-7-20500	Qb stl bndr clps,Med 1-1/4X5/8		4	\$2.99/box	\$11.96
901-7-21000	Qb steel binder clips, 2X1		3	\$4.49/box	\$13.47
901-7-20200	Qb stl bndr clip small 3/4X3/8		3	\$1.39/box	\$4.17
901-686F1	Post-It(r) durable file tabs		3	\$4.49/pack	\$13.47
999-14664S	Thanks for your order!		1	\$0.00/each	\$0.00
999-14625S	Free coupon book-\$150 savings!		1	\$0.00/each	\$0.00
999-14729A	50% off holiday cards!		1	\$0.00/each	\$0.00

Payment Coupon: Please detach and enclose this portion with your payment. Please do not staple. Thank You.



Please remit stub from total page.

Winnie Stowell Hospital District
P.O. Box 1997
Winnie TX 77665

Date Printed: NOV 5 2014

Invoice Number: 11460
CLIENT#: 2133

Due Date: DEC 10 2014

Total amount due: \$50.00

Amount of remittance: \$ _____

Remit To:

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

Please return this portion with payment

Invoice Date: DEC 10 2014

Type: A

Invoice # 11460

Code	Eff Date	Policy#	Line of Business	Description	Amount
E	DEC 10 2014	TX 804414	Surety Bonds	Renewal Edward Murrell Bond	\$50.00
TOTAL AMOUNT DUE:					<u>\$50.00</u>

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

PHONE : (409) 267-3115

FAX: (409) 267-3451

Winnie Stowell Hospital District
P.O. Box 1997
Winnie, TX 77665

Winnie Stowell Hospital District
P.O. Box 1997
Winnie TX 77665

Date Printed: NOV 5 2014

Invoice Number: 11461
CLIENT#: 2133

Due Date: DEC 10 2014

Total amount due: \$50.00

Amount of remittance: \$ _____

Remit To:

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

Please return this portion with payment

Invoice Date: DEC 10 2014

Type: A

Invoice # 11461

Trans Code	Coverage Eff Date	Policy#	Line of Business	Description	Amount
E	DEC 10 2014	TX 804413	Surety Bonds	Renewal Jeff Rollo Bond	\$50.00
TOTAL AMOUNT DUE:					<u>\$50.00</u>

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

PHONE : (409) 267-3115

FAX: (409) 267-3451

Winnie Stowell Hospital District
P.O. Box 1997
Winnie, TX 77665

Winnie Stowell Hospital District
P.O. Box 1997
Winnie TX 77665

Date Printed: NOV 5 2014

Invoice Number: 11462
CLIENT#: 2133

Due Date: DEC 10 2014

Total amount due: \$50.00

Amount of remittance: \$ _____

Remit To:

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

Please return this portion with payment

Invoice Date: DEC 10 2014
Type: A

Invoice # 11462

Trans Code	Coverage Eff Date	Policy#	Line of Business	Description	Amount
E	DEC 10 2014	TX 804412	Surety Bonds	Renewal Elroy Henry	\$50.00
TOTAL AMOUNT DUE:					\$50.00

Carroll R. Hand Insurance Agency
P O Drawer 1000
Anahuac, TX 77514

PHONE: (409) 267-3115

FAX: (409) 267-3451

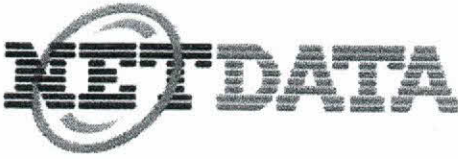
Winnie Stowell Hospital District
P.O. Box 1997
Winnie, TX 77665

Sherrie Norris (Oct 2014 through Nov 14, 2014)

Date	Description	Time
10/01/14	Review and save emails; To/From Wells Fargo, Beaumont	3.50
10/02/14	Office; To/From Post Office; Wilcox (UPS) overnight mail	4.00
10/03/14	Review and save emails; To/From Post Office	2.00
10/06/14	Office; To/From Post Office	3.00
10/07/14	Office; To/From Post Office	3.50
10/08/14	Office; To/From Post Office	4.00
10/09/14	Review and save emails; To/From Post Office	3.00
10/10/14	Office; To/From Post Office	4.00
10/13/14	Office; To/From Post Office	5.50
10/14/14	Review and save email; To/From Post Office	2.00
10/15/14	office (board meeting); To/From Post Office	8.00
10/16/14	Office; To/From Post Office	3.00
10/17/14	Office; To/From Post Office	5.50
10/20/14	Office; To/From Post Office	3.00
10/21/14	Review and save emails; To/From Post Office	3.50
10/22/14	Review and save emails; To/From Post Office; to/From Beaumont WF	5.00
10/23/14	Review and save emails; To/From Post Office	4.00
10/24/14	Office; To/From Post Office	3.50
10/27/14	Review and save emails; To/From Post Office	4.50
10/28/14	office (board meeting); To/From Post Office	4.30
10/29/14	Review and save emails; To/From Post Office	2.00
10/30/14	Review and save emails; To/From Post Office; Wilcox (UPS overnight); to/From Beaumont WF	5.00
10/31/14	Office; To/From Post Office	2.50
11/03/14	Review and save emails; To/From Post Office	3.00
11/04/14	Office; To/From Post Office	4.00
11/05/14	Review and save emails; To/From Post Office; to/From Beaumont WF	5.00
11/06/14	Office; To/From Post Office	3.00
11/07/14	Office; To/From Post Office	2.50
11/10/14	Office; To/From Post Office	6.50
11/11/14	Office; Training WF; To/From Post Office	5.00
11/12/14	Office; To/From Beaumont CPA re Wire Transfers	4.50
11/13/14	Office; Training WF (CEO Portal); To/From Beaumont	5.00
11/14/14	Office; To/From Post Office	6.00
Total Hours	\$2,656.00	132.80

Sherrie Norris
October Expenses

Expenses	
Cell Phone	\$50.00
Mileage	\$109.45
10/10/14 Court filing (Agenda 10/15/2014)	\$5.00
10/21/14 Court filing (Agenda 10/28/2014)	\$5.00
	<hr/>
	\$169.45



Your transaction was processed successfully.

You will receive two charges on your credit card statement:

The subtotal from: **Chambers County Clerk - Heather H. Hawthorne**

The convenience fee from: **NET Data Corporation**

Office Name: Chambers County Clerk - Heather H. Hawthorne

P.O. Box 728
Anahuac, TX 77514
409-267-2418

Receipt/Confirmation Number: 381803

Chambers County Clerk - Heather H. Hawthorne Auth Code: H12278

NET Data Auth Code: H11979

Payment Date: 2014-10-10 11:13:18 CDT

Billing Information

First Name: Sherrie
Last Name: Norris
Address 1: PO Box 1803
Address 2:
City: Winnie
State: TX
Zip Code: 77665
Country: US
Email: snorris881@gmail.com
Phone: 4092013922

Credit Card Information

Name on Card: Sherrie Norris
Card Number: xxxxxxxxxxxx9130
CVV Number: xxx
Card Type: Master Card
Expiration Date: xx/xxxx
Your Order Amount
Payment Amount: \$4.00
Convenience Fee: \$1.00
Total Amount: \$5.00

Item: WSHD Agenda for Regular Meeting 2014.10.15





Your transaction was processed successfully.

You will receive two charges on your credit card statement:

The subtotal from: **Chambers County Clerk - Heather H. Hawthorne**

The convenience fee from: **NET Data Corporation**

Office Name: Chambers County Clerk - Heather H. Hawthorne
 P.O. Box 728
 Anahuac, TX 77514
 409-267-2418

Receipt/Confirmation Number: 384371
 Chambers County Clerk - Heather H. Hawthorne Auth Code: H42303
 NET Data Auth Code: H42004
 Payment Date: 2014-10-21 14:13:41 CDT

Billing Information		Credit Card Information	
First Name:	Sherrie	Name on Card:	Sherrie Norris
Last Name:	Norris	Card Number:	xxxxxxxxxxxx9130
Address 1:	PO Box 1803	CVV Number:	xxx
Address 2:		Card Type:	Master Card
City:	Winnie	Expiration Date:	xx/xxxx
State:	TX	Your Order Amount:	
Zip Code:	77665	Payment Amount:	\$4.00
Country:	US	Convenience Fee:	\$1.00
Email:	snorris881@gmail.com	Total Amount:	\$5.00
Phone:	4092013922		

Item: WSHD Agenda for Special Meeting 2014.10.28



Exhibit “B”

Account Agreement

Date: 11/21/2014

Interbank Graham P O Box 450 Graham, TX 76450

IMPORTANT ACCOUNT OPENING INFORMATION: Federal law requires us to obtain sufficient information to verify your identity. You may be asked several questions and to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

Enter Non-Individual Owner Information on page 2. There is additional Owner/Signer Information space on page 2.

Address	11307 DEPUTY DR, AUSTIN, TX 78748
Other ID (Description, Details)	US Passport PASSPORT
Name	JOHN ELROY HENRY Sr
Relationship	Auth Signer
Address	

Internal Use
WINNESTOW HOSPITAL DISTRICT
PO BOX 1997 WINNIE, TX 77665
The specified ownership will remain the same for all accounts. (For consumer accounts, select and initial.):
Uniform Single-Party or Multiple-Party Account Selection Form Notice: The type of account you select may determine how property passes at your death. Your Will may not control the disposition of funds held in some of the following accounts:
<input type="checkbox"/> Single-Party Account with Payable-On-Death (POD) Designation _____ <input type="checkbox"/> Single-Party Account without POD Designation _____ <input type="checkbox"/> Multiple-Party Account with Right of Survivorship _____ <input type="checkbox"/> Multiple-Party Account with Right of Survivorship and POD _____ <input type="checkbox"/> Multiple-Party Account without Right of Survivorship _____ <input type="checkbox"/> Convenience Account _____ <input type="checkbox"/> Trust Account (name beneficiaries below) _____ <input type="checkbox"/> _____
<input type="checkbox"/> Corporation - For Profit <input type="checkbox"/> Corporation - Nonprofit <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Trust-Separate Agreement Dated: _____ <input checked="" type="checkbox"/> Non-Profit
(Check appropriate ownership above.)

If checked, this is a temporary account agreement.

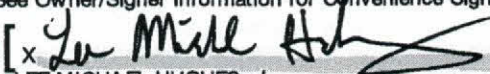
Signature(s)

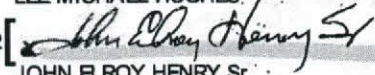
The undersigned authorize the financial institution to investigate credit and employment history and obtain reports from consumer reporting agency(ies) on them as individuals. Except as otherwise provided by law or other documents, each of the undersigned is authorized to make withdrawals from the account(s), provided the required number of signatures indicated above is satisfied. The undersigned personally and as, or on behalf of, the account owner(s) agree to the terms of, and acknowledge receipt of copy(ies) of, this document and the following:

Terms and Conditions Privacy
 Electronic Fund Transfers Truth in Savings
 Substitute Checks Funds Availability
 Common Features Fee Schedule

Number of signatures required for withdrawal: 1

See Owner/Signer Information for Convenience Signer designation(s).

1 [x] ]
 LEE MICHAEL HUGHES

2 []
 JOHN ELROY HENRY Sr

3 [x]] 4 [x]]

Relationship.	
Address	
Mailing Address (if different)	
Home Phone	
Work Phone	
Mobile Phone	
E-Mail	
Birth Date	
SSN/TIN	
Gov't Issued Photo ID (Type, Number, State, Issue Date, Exp. Date)	
Other ID (Description, Details)	
Employer	
Previous Employer	
Owner/Signer Information 4	
Name	
Relationship	
Address	
Mailing Address (if different)	
Home Phone	
Work Phone	
Mobile Phone	
E-Mail	
Birth Date	
SSN/TIN	
Gov't Issued Photo ID (Type, Number, State, Issue Date, Exp. Date)	
Other ID (Description, Details)	
Employer	
<i>(If not a "U.S. Person," certify foreign status separately.)</i>	
TIN: 61-1500560	
<input checked="" type="checkbox"/> Taxpayer I.D. Number (TIN) - The number shown above is my correct taxpayer identification number.	
<input checked="" type="checkbox"/> Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.	
<input type="checkbox"/> Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.	
I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).	
X	<u>Lee M. ...</u> (Date)
WINNIE-STOWELL HOSPITAL DISTRICT	

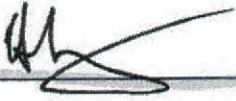
Name	WINNIE-STOWELL HOSPITAL DISTRICT	
EN	61-1500560	
Texas		
Nature of Business		
Address	PO BOX 1997, WINNIE, TX 77665	
Authorization/Resolution Date		
Business Checking	1755271008	
		\$ <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Check
		\$ <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Check
<input type="checkbox"/> ATM <input type="checkbox"/> Debit/Check Cards (No. Requested: _____)		
<input type="checkbox"/> _____ <input type="checkbox"/> _____		
<input type="checkbox"/> _____ <input type="checkbox"/> _____		

Certification Regarding Internet Gambling

The business entity identified below certifies that it does not engage in an Internet gambling business within the meaning of Federal Reserve Regulation GG.

Business Entity

WINNIE-STOWELL HOSPITAL DISTRICT

Lee Michael Hughes  11-25-14

LEE MICHAEL HUGHES Date

Exhibit “C”

PURCHASE AND SALE AGREEMENT

SELLER: Chambers County Public Hospital District #1
Address: 200 Hospital Drive
Anahuac, Texas 77514
Phone: (409) 267-3143

PURCHASER: Winnie Stowell Hospital District
Address: P.O. Box 1997
Winnie, Texas 77665
Phone: (409) 296-1003

PROPERTY: 2107 South Hwy 124 in Winnie, Texas;
Together with all adjoining land owned by Seller, structures,
improvements, and personal property thereon, and more
specifically described in attached Exhibit A.

TITLE COMPANY: Chambers County Abstract Co.

INSPECTION PERIOD: Until 12/30/14

CLOSING DATE: On or before January 31, 2015

PURCHASE PRICE: \$400,000.00

EARNEST MONEY: \$2,000.00 (to be paid by Purchaser to Title Company not later
than 3 days after the effective date of the Purchase and Sale
Agreement)

1. **SALE & PURCHASE.** Seller agrees to sell and Purchaser agrees to purchase the Property as provided in this Purchase and Sale Agreement (the "Agreement"). The Property will be sold "as is" and "with all faults". Seller will only warrant title.

2. **TITLE & SURVEY.** As soon as possible Seller shall deliver to the Purchaser a current commitment for title insurance for the property from the title Company and copies of all documents referenced in the title commitment at Seller's expense. If Purchaser desires a survey, Purchaser may so obtain.

3. **INSPECTION PERIOD.** During the Inspection Period, Purchaser shall: review the title commitment and notify Seller of any objections thereto (other than the standard printed exceptions in the Texas standard form of owner's title commitment to which Purchaser shall not be entitled to object), physically inspect the Property, at Purchaser's expense, and review applicable laws, ordinances, and restrictions. Matters not objected to by Purchaser within such time period shall be deemed to be acceptable to Purchaser and to be permitted exceptions. Seller may, but shall have no obligation to, cure any such title objections made by Purchaser; provided, however, Seller shall cure any encumbrances which are voluntarily placed on the Property by Seller after the Date of this Agreement and all monetary liens encumbering the Property. If title is objected to and Seller does not cure the objections, or if for any other reason

Purchaser determines that it is not feasible to own the Property, Purchaser may terminate this Agreement by notifying Seller prior to the end of the Inspection Period, and the Earnest Money shall be immediately returned to Purchaser. If Purchaser does not so timely terminate this Agreement, it shall have waived such title objections not cured by Seller and shall have no further right to do so except as provided in Section 7. Any objections or exceptions to title that are either accepted or waived by Purchaser hereunder shall be referred to as "permitted exceptions." Purchaser may enter the Property, upon notice to Seller, to conduct its inspection, but shall be responsible for any damages caused thereby and restore Property to its original condition if altered due to inspections by Purchaser. Except for those matters that arise from the negligence of Seller or Seller's agents, Purchaser is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Purchaser's inspections, including any property damage or personal injury. Seller shall cooperate with Purchaser and deliver copies of any reports or studies it may possess concerning the Property or its condition.

4. **CLOSING.** The Closing of the sale of the Property shall occur at Chambers County Abstract Co. located 545 Washington Ave., Anahuac, Texas 77514 on or before the Closing Date. At the closing, Seller shall deliver to Purchaser a Warranty Deed conveying good and indefeasible title to the Property to Purchaser subject only to the permitted exceptions; an ALTA owners policy of title insurance (or equivalent) insuring such title in Purchaser in the amount of the Purchase Price; a certificate complying with the Internal Revenue Code that Seller is not a foreign person; and possession of the Property, free of parties in possession; and Purchaser shall deliver to Seller the Purchase Price in good funds acceptable to the Title Company, adjusted as provided below; The Earnest Money shall be returned to Purchaser or delivered to Seller and credited to the Purchase Price, as Purchaser directs. Ad valorem taxes, assessments, and any other charges against the Property, if any, shall be prorated at closing. Seller being charged for the same through Closing Date and Purchaser being responsible thereafter. Seller represents and warrants that it is exempt from all ad valorem and similar taxes and assessments relating to the Property. Because of Seller's exemption from ad valorem taxation, Seller shall not be responsible for the payment of any ad valorem and similar taxes and assessments relating to the Property prior to the Closing Date.

5. **REPRESENTATIONS.**

(a) Seller represents that it has authority to enter into this Agreement, and no other person has any interest in or claims against the property (other than as reflected by the title commitment). Purchaser represents that it has authority to enter into this Agreement. The only representations made by either party concerning the Property and this Agreement are as set out in this Section 5.

(b) OTHER THAN STATED ABOVE, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WITH RESPECT TO THE PROPERTY, THE PHYSICAL CONDITION OF THE PROPERTY, OR ANY OTHER ASPECT OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, AS TO (1) THE NATURE, QUALITY, ADEQUACY AND PHYSICAL CONDITION OF THE PROPERTY; (2) THE QUALITY, NATURE, ADEQUACY, OR PHYSICAL CONDITION OF THE GROUNDWATER, SOILS AND GEOLOGY, WHETHER OR NOT OBVIOUS, VISIBLE OR APPARENT; (3) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND

PHYSICAL CONDITION OF UTILITIES SERVICING THE PROPERTY; (4) THE PRESENCE OF ANY ENVIRONMENTAL CONDITIONS OR HAZARDOUS SUBSTANCES ON, UNDER, IN, OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY OR THE EXISTENCE OF ANY UNDERGROUND TANKS, CONTAINERS, OR CONDUITS IN, ON, OR ABOUT THE PROPERTY, OR THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, INCLUDING, BUT NOT LIMITED TO, ANY STATE OR FEDERAL ENVIRONMENTAL LAW, RULE OR REGULATION; OR (5) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. SPECIFICALLY, SELLER HAS NOT MADE ANY REPRESENTATIONS REGARDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R. PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND APPLICABLE STATE LAWS, AND REGULATIONS PROMULGATED THEREUNDER. PURCHASER FURTHER ACKNOWLEDGES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY.

(c) **Purchaser is acquiring the Property AS IS, WITH ALL FAULTS AND DEFECTS. Any personal property and improvements included in this conveyance are to be sold to Purchaser "AS IS", with all faults. No warranties of any kind are implied in this transaction with respect to the Property, improvements thereon, or personal property, except warranty of title.**

6. **RISK OF LOSS.** Until the closing is consummated, risk of loss with respect to the Property shall remain with the Seller.

7. **REMEDIES.** If Purchaser defaults, seller's sole remedy shall be to terminate this Agreement and receive the Earnest Money as liquidated damages; and Title Company shall deliver the Earnest Money to Seller immediately following receipt of an affidavit of Seller stating that Purchaser has defaulted and Seller has terminated this Agreement. If Seller defaults, Purchaser's sole remedy shall be to terminate this Agreement and Earnest Money shall be returned to Purchaser immediately following receipt of an affidavit of Purchaser stating that Seller has defaulted and purchaser has terminated this Agreement or Purchaser may enforce specific performance.

8. **NOTICES.** Notices must be in writing to and given at the addresses sated above. Notice given by delivery service or faxed shall be effective upon receipt at the address for the addressee; notice given by mail must be certified, return receipt requested, and shall be effective upon receipt.

9. **SURVEY.** Any survey required by Purchaser shall be at the expense of Purchaser.

10. **TITLE POLICY.** Seller shall furnish a Title Policy to Purchaser at Seller's

expense, and other closing costs will be paid ½ by Seller and ½ by Purchaser. The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements will not be amended or deleted for the title policy except at Purchaser's expense.

11. **TAXES.** Taxes, if any, for the year 2014 shall be paid by the Seller and Purchaser. Taxes, if any, for 2014 and 2015 shall be prorated between Seller and Purchaser.

12. **DISPUTE RESOLUTION.** The parties agree to negotiate in good faith to resolve any dispute related to the Agreement that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute for mediation before resorting to litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of the Agreement. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

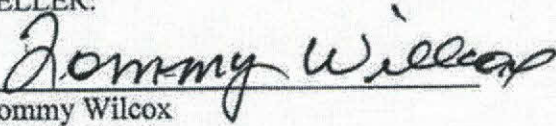
12. **MISCELLANEOUS.**

- (a) Entireties. This Agreement contains the entire agreement of the parties pertaining to the Property and shall survive the Closing and the execution and delivery of the deed.
- (b) Modifications. This Agreement may only be modified by a written document signed by both parties.
- (c) Brokers. The parties represent that neither is represented by a broker in connection with this transaction. It is agreed that if any claims for brokerage commissions or fees are ever made against Seller or Purchaser in connection with this transaction, all such claims shall be handled and paid by the party whose commitments form the basis of such claim. It is further agreed that each party agrees to indemnify and hold harmless the other from and against any and all such claims or demands with respect to any brokerage fees or agents' commissions or other compensation asserted by any person, firm or corporation in connection with this Contract or the transactions contemplated hereby insofar as any such claim or demand is based upon a contract or commitment of the indemnifying party.
- (d) Date of Agreement. The effective date of the Agreement is the date the Title Company acknowledges receipt of the Agreement after all parties execute the Agreement
- (e) Notices. Any required notices will be signed at closing.
- (f) Time is of the essence of this Agreement.
- (g) Counterparts. The Agreement may be executed in two (2) or more

counterparts, each of which shall be deemed and original, but all of which shall constitute one and the same instrument. The parties intend that faxed or PDF signatures constitute original signatures, and that a faxed or scanned copy of this Agreement containing the signatures (original, faxed, or scanned) of all the parties is binding upon the parties.

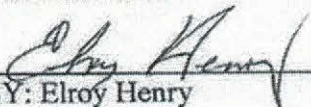
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

SELLER:


Tommy Wilcox
President,
Chambers County Public Hospital District No. 1.

Date Executed: 11/24/14

PURCHASER:


BY: Elroy Henry
President
Winnie Stowell Hospital District Manager

Date Executed: 19 Nov 2014

ESCROW RECEIPT

The Title Company acknowledges receipt of the Purchase and Sale Agreement on this day of ____
_____ (effective date) and receipt of earnest money in the
amount of \$2,000.00,

Title Company: _____

By: _____

Address: _____

Phone & Fax: _____

Email: _____

EXHIBIT "A"
LEGAL DESCRIPTION

Exhibit “A”

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER. See TEX. PROP. CODE §11.008

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Heather H. Hawthorne, County Clerk

2012-38876 GENERAL WARRANTY DEED WITH VENDOR'S LIEN RETAINED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF Chambers §

Effective Date: 21 March 2012

Grantor: Michael Dean Fear, an unmarried person
Grantor's Address: P.O. Box 691
Winnie, TX 77665 (Chambers County)

Grantee: Chambers County Public Hospital District #1
Grantee's Address: P.O. Box 398
Anahuac, TX 77514 (Chambers County)

Lien Beneficiary/Lender: Security State Bank, a Texas banking corporation, Texas Department of Banking Charter No. 1437-29

Lien Beneficiary's Address: 1500 Miller Street
P. O. Box 429
Anahuac, TX 77514 (Chambers County)

The Consideration: the sum of Ten and No/100 (\$10.00) Dollars and other good and valuable consideration, including the sum of US\$227,500 which represents a portion of the purchase price for the property herein conveyed, the receipt of which is hereby acknowledged by Grantor herein, and which sum has been advanced to Grantor by Lender at the instance and request and in behalf of Grantee, and is further evidenced by that certain promissory note of even-date with the effective date, in the original principal amount of US\$227,500, payable to Lender (whose principal address is 1500 Miller Street, Anahuac, TX 77514) or order, bearing interest as set forth in said note, said note being payable in full with interest on or before 21 March 2022, being the scheduled maturity date, or according to its terms, both principal and interest payable at Lender's address above, or according to the terms of said note, and containing the usual acceleration of maturity and attorney's fees clauses, the payment of which note

is additionally secured by a Deed of Trust of even-date herewith to **Richard G. Baker** as Trustee for Lender as the beneficiary in that deed of trust, the payment of said note being secured by a first lien mortgage upon the Property, of which the receipt and sufficiency of said consideration is hereby acknowledged and affirmed.

The Property (including all buildings, improvements, attachments, fixtures and appurtenances thereto & thereon):

That certain 4.12 acre tract, more or less, out of Lot 4, Block 26 of the WINNIE SUBURBS, a subdivision in That certain 4.12 acre tract, more or less, out of Lot 4, Block 26 of the WINNIE SUBURBS, a subdivision in Chambers County, Texas, as recorded in Volume "B", Page 21 of the Chambers County Plat Records; said 4.12 acre tract being all of said Lot 4, SAVE AND EXCEPT a called 8.878 acre tract described in a conveyance to the East Chambers Consolidated School District as recorded in Volume 305, Page 93 of the Chambers County Deed Records; said 4.12 acre tract, more or less, being more particularly described by metes and bounds as follows:
BEGINNING at a ½ inch iron rod found on the East line of State Highway 124, being on the South line of Lot 3 of said Block 26, the North line of said Lot 4, and the Northwest corner of the said 4.12 acre tract;
THENCE South 89° 57' 15" East (called East) along the said South line of Lot 3 being the North line of Lot 4, a distance of 560.05 feet to a 3/8 inch iron rod set and capped "FAUST" for the Northwest corner of the said 8.878 acre tract and being the Northeast corner of the said 4.12 acre tract;
THENCE South 00° 01' 56" West (called South) along the West line of the said 8.878 acre tract, a distance of 340.59 feet (called 339 feet) to a 3/8 inch iron rod set and capped "FAUST" on the South line of said Lot 4, a point on the West line of the 8.878 acre tract, and the Southeast corner of the said 4.12 acre tract;
THENCE North 89° 57' 15" West (called West) along the South line of said Lot 4, a distance of 490.39 feet to a 3/8 inch iron rod set and capped "FAUST" along the said East line of State Highway 124 and the West line of said 4.12 acre tract;
THENCE North 12° 03' 00" West (reference bearing) along the said East line of State Highway 124, a distance of 214.61 feet to a concrete monument found for an angle point in the said East line of State Highway 124 and the West line of said 4.12 acre tract;
THENCE along the said East line of State Highway 124 with a curve to the right having a radius of 2803.93 feet (called 2908.93 feet) a chord of North 10° 40' 54" West 133.08 feet, a distance along the curve of 133.09 feet to the POINT OF BEGINNING and containing 4.12 acres of land, more or less; and being the same property conveyed in those certain deeds naming as the grantors a) *Lillian Joyce Fear*, b) *Gilbert Wayne Petticrew*, c) *Dena Kiker Hart* et al., and d) *Chester Henry Kuneske, Jr. et al.*, naming as the grantee *Michael Dean Fear* and all recorded in Volume 1311 Pages 672-685 of the Official Public Records of Chambers County, Texas, County, Texas, as recorded in Volume "B", Page 21 of the Chambers County Plat Records; said 4.12 acre tract being all of said Lot 4, SAVE AND EXCEPT a called 8.878 acre tract described in a conveyance to the East Chambers Consolidated School District as recorded in Volume 305, Page 93 of the Chambers County Deed

Deed with Vendor's Lien:

Michael Dean Fear

to Chambers County Public Hospital District #1

Records; said 4.12 acre tract, more or less, being more particularly described by metes and bounds as follows:

BEGINNING at a ½ inch iron rod found on the East line of State Highway 124, being on the South line of Lot 3 of said Block 26, the North line of said Lot 4, and the Northwest corner of the said 4.12 acre tract;

THENCE South 89° 57' 15" East (called East) along the said South line of Lot 3 being the North line of Lot 4, a distance of 560.05 feet to a 3/8 inch iron rod set and capped "FAUST" for the Northwest corner of the said 8.878 acre tract and being the Northeast corner of the said 4.12 acre tract;

THENCE South 00° 01' 56" West (called South) along the West line of the said 8.878 acre tract, a distance of 340.59 feet (called 339 feet) to a 3/8 inch iron rod set and capped "FAUST" on the South line of said Lot 4, a point on the West line of the 8.878 acre tract, and the Southeast corner of the said 4.12 acre tract;

THENCE North 89° 57' 15" West (called West) along the South line of said Lot 4, a distance of 490.39 feet to a 3/8 inch iron rod set and capped "FAUST" along the said East line of State Highway 124 and the West line of said 4.12 acre tract;

THENCE North 12° 03' 00" West (reference bearing) along the said East line of State Highway 124, a distance of 214.61 feet to a concrete monument found for an angle point in the said East line of State Highway 124 and the West line of said 4.12 acre tract;

THENCE along the said East line of State Highway 124 with a curve to the right having a radius of 2803.93 feet (called 2908.93 feet) a chord of North 10° 40' 54" West 133.08 feet, a distance along the curve of 133.09 feet to the POINT OF BEGINNING and containing 4.12 acres of land, more or less; and being the same property conveyed in those certain deeds naming as the grantors a) *Lillian Joyce Fear*, b) *Gilbert Wayne Petticrew*, c) *Dena Kiker Harty et al.*, and d) *Chester Henry Kuneske, Jr. et al.*, naming as the grantee *Michael Dean Fear* and all recorded in *Volume 1311 Pages 672-685* of the Official Public Records of *Chambers County, Texas*.

Incorporating the preceding by reference, for the consideration, and subject to the reservations and exceptions, and the Vendor's Lien Retained, Grantor has Granted, Sold and Conveyed and by these presents does Grant, Sell and Convey unto Grantee the Property.

There is excepted from this conveyance and warranty: the lien or liens described as part of the Consideration, if any, and any other liens described in this deed as being either assumed or subject to title taken; validly existing easements, right-of-way, and prescriptive rights, whether of record or not; all currently recorded and validly existing restrictions, reservations, covenants, conditions, oil and gas leases, mineral interests, and water interests outstanding in persons other than Grantor, and other instruments, other than conveyances of the surface fee estate, that affect the Property; validly existing rights of adjoining land owners in any walls and fences situated on a common boundary; any discrepancies, conflicts or shortages in area or boundary lines; any encroachments or overlapping of

Deed with Vendor's Lien:

Michael Dean Fear

to Chambers County Public Hospital District #1

improvements upon the Property; and subsequent assessments for the year of conveyance and all prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

To the extent applicable to and enforceable against the Property, this Deed is executed, delivered and accepted subject to the following: any liens described herein; zoning ordinances, utility district assessments, and standby fees, if any; all valid utility easements created by the declarations, dedication deed or plat of the platted subdivision or condominium regime in which the Property is located; all covenants, restrictions and declarations common to the platted subdivision or condominium regime in which the Property is located, and all mineral reservations, maintenance or assessment liens (if any), including any "Right of First Refusal," all as shown by the real property records of the County Clerk of the County in which the Property is located; and any valid title or rights asserted by anyone (including but not limited to persons, corporations, governments or other entities) to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or to any land extending from the line of the harbor or bulkhead lines as established or changed by any government or to filled-in lands, or artificial islands, or to riparian rights or other statutory water rights, or the rights or interest of the State of Texas or the public generally in an area extending from the line of mean low tide to the line of vegetation or the right of access thereto, or right of easement along and across same, if any.

The contract between Grantor, as the seller, and Grantee, as the buyer, may contain limitations as to warranties. To the extent said contract provides for such limitations to survive this conveyance, they shall be deemed incorporated herein by reference. However, the warranty of title contained in this Deed is hereby expressly excluded from any limitations as to warranties contained in the contract referenced in this paragraph.

Statutory/Administrative Notices

The following statutory and/or administrative notices are provided, as applicable.

Chapter 5, Texas Property Code,
Notice of Potential Annexation,

See Tex. Prop. Code § 5.011. Seller's Disclosure Regarding Potential Annexation

TO THE EXTENT THAT CHAPTER 5 OF THE TEXAS PROPERTY CODE APPLIES TO THIS TRANSACTION AND TO THE EXTENT THE PROPERTY THAT IS THE SUBJECT OF

THIS CONTRACT IS LOCATED OUTSIDE THE LIMITS OF A MUNICIPALITY, THE PROPERTY MAY NOW OR LATER BE INCLUDED IN THE EXTRATERRITORIAL JURISDICTION OF A MUNICIPALITY AND MAY NOW OR LATER BE SUBJECT TO ANNEXATION BY THE MUNICIPALITY, GRANTOR GIVES TO GRANTEE THE FOLLOWING NOTICE REGARDING POTENTIAL ANNEXATION. EACH MUNICIPALITY MAINTAINS A MAP THAT DEPICTS ITS BOUNDARIES AND EXTRATERRITORIAL JURISDICTION. TO DETERMINE IF THE PROPERTY IS LOCATED WITHIN A MUNICIPALITY'S EXTRATERRITORIAL JURISDICTION OR IS LIKELY TO BE LOCATED WITHIN A MUNICIPALITY'S EXTRATERRITORIAL JURISDICTION, CONTACT ALL MUNICIPALITIES LOCATED IN THE GENERAL PROXIMITY OF THE PROPERTY FOR FURTHER INFORMATION.

Grantee acknowledges and agrees that Grantor gave to Grantee, and Grantee received, the foregoing notice before the date of any contract binding Grantee to purchase the property.

Chapter 5, Texas Property Code,

Notice Regarding Possible Liability for Additional Taxes

See Tex. Prop. Code § 5.010. Notice of Additional Tax Liability

If for the current ad valorem tax year the taxable value of the land that is the subject of this contract is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer of the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, Grantee's heirs and assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, executors and successors and administrators to Warrant and Forever Defend all and singular the said premises unto Grantee,

Grantee's heirs and assigns against any person whomsoever lawfully claiming or to claim the same or any part thereof. But it is expressly agreed and stipulated that a vendor's lien and superior title is retained against the above described property and premises for the benefit of **Lender**, or assign, until the above described note and all interest which might have accrued on defaulted payments is paid according to its face and tenor, effect and reading, when this deed shall become absolute. By Grantor's signature below, Grantor assigns said vendor's lien to **Lender**.

When the context requires, singular nouns and pronouns include the plural and the masculine gender includes the feminine.

Disclaimer: The preparer of this instrument does not make any representation as to the validity of any liens and the status of title to the property involved.

THIS INSTRUMENT WAS PREPARED FROM INFORMATION FURNISHED BY THE PARTIES. THE SCRIVENER / PREPARER OF THIS INSTRUMENT HAS NOT EXAMINED OR GIVEN AN OPINION AS TO THE VALIDITY OF THE TITLE OR THE DESCRIPTION OF THE PROPERTY INVOLVED.

GRANTOR:
Michael Dean Fear
Michael Dean Fear

ACCEPTANCE:

I, Grantee, acknowledge my receipt and the delivery of this deed and my acceptance of the terms.

Chambers County Public Hospital District #1
[Signature]
By: Robert A. Pascasio, as CEO and authorized representative of the Chambers County Public Hospital District #1

THE STATE OF TEXAS §
COUNTY OF Chambers §

Before me the undersigned notary public personally appeared **Michael Dean Fear**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to

me that he or she executed the same for the purposes and consideration and in the capacity as the said Grantor's act and deed therein expressed.

Given under my hand and seal of office this 21 day of March, 2012.



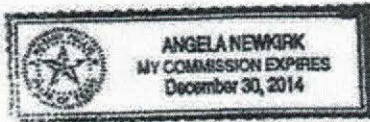
Angela Newkirk

Notary Public in and for the State of Texas

THE STATE OF TEXAS §
COUNTY OF Chambers §

Before me the undersigned notary public personally appeared Robert A. Pascasio, as CEO and authorized representative of the Chambers County Public Hospital District #1, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for and on behalf of said Chambers County Public Hospital District #1 and as its act for the purposes and consideration and in the capacity therein expressed.

Given under my hand and seal of office this 21 day of March, 2012.



Angela Newkirk

Notary Public in and for the State of Texas



Disclaimer: The preparer of this instrument does not make and has not made any representation as to the validity of any liens and the status of title to the property involved.

Notice to County Clerk: Upon Filing and Recording this Deed, Return to Grantee.

FILED FOR RECORD IN:

Chambers County

ON: MAR 22, 2012 AT 10:16A

AS A(N) Public Records

Heather H. Hawthorne COUNTY CLERK

CLERK NUMBER 73298 PAGES 8

AMOUNT: 40.00

RECEIPT NUMBER 12270922

BY TURNER
STATE OF TEXAS Chambers County
AS STAMPED HEREON BY ME. MAR 22, 2012

Heather H. Hawthorne COUNTY CLERK

Recorded

Lauren Van Deventer

STATE OF TEXAS
COUNTY OF CHAMBERS

I, HEATHER H. HAWTHORNE, hereby certify that this instrument
was FILED in the number sequence on the date and at the
time stamped hereon by me, and was duly RECORDED in
the volume and page of the OFFICIAL PUBLIC RECORDS of
Chambers County, Texas, as stamped hereon by me on



Heather H. Hawthorne
COUNTY CLERK
CHAMBERS COUNTY, TEXAS

ccae

④

Exhibit “D”



October 28, 2014
Mr. Hubert Oxford, IV
Benckenstein & Oxford, L.L.P.
3535 Calder Avenue, Suite 300
Beaumont, Texas 77706

Proposal to Provide Valuation Services

Dear Mr. Oxford:

We are pleased to propose our valuation services to Benckenstein & Oxford, L.L.P ("Counsel") on behalf of their client, Winnie-Stowell Hospital District ("Hospital District"). All work performed and work product provided by Value Management Group, LLC, d/b/a VMG Health ("VMG") under the terms of the engagement will be considered attorney-client privileged and attorney-client work product. Additionally, any preliminary or final reports or opinions will be rendered only upon consultation with and approval by Counsel.

Based on discussions with Counsel, we understand that the Hospital District desires to enter into Management Services Agreements ("MSAs" or "Agreements") for the provision of management services to skilled nursing facilities operated by the Hospital. Specifically, VMG has been asked to provide a proposal for the provision of fair market value ("FMV") opinions of the management fees to be included in the MSAs.

We understand that our analysis will be used for management planning and regulatory compliance purposes. The FMV opinion and narrative report are intended for use by and may be distributed to the Hospital District, Counsel, the Managers, the Internal Revenue Service, the Office of Inspector General, the Securities and Exchange Commission or other regulatory authorities. The results of our study should not be used, in whole or in part, for any other purpose or shared with any third parties without the express written consent of VMG. Our valuation analysis does not constitute a fairness opinion or investment advice in that we will not conduct all of the steps necessary to issue such an opinion.

Please note that the obligation of VMG is solely a corporate obligation, and no officer, principal, director, employee, agent, shareholder, or controlling person shall be subjected to any personal

Chateau Plaza
2515 McKinney Avenue
Suite 1500
Dallas, Texas 75201
P 214.369.4888
F 214.369.0541

3100 West End Avenue
Suite 940
Nashville, Tennessee 37203
P 615.777.7300
F 615.777.7301
www.vmghealth.com

liability whatsoever to any person or entity, nor will any such claim be asserted by or on behalf of any other party to this agreement or any person relying on the opinion.

FIRM'S SERVICE OFFERINGS

VMG is a full service healthcare transaction support service firm. We have dedicated and focused professional teams consisting of experts in specific areas to assist our clients with their healthcare related business transactions. Below is a summary of the specific areas of expertise which may be beyond the scope of performing this engagement, but are available to the extent the need arises. If additional work is required within any of these areas, our team leaders will be available to consult with you to fully assess your needs and assist you in developing the best solutions. VMG's focused areas of healthcare transaction expertise include the following:

Business Valuation Services – VMG was founded on performing business valuations within healthcare. VMG performs over 1,000 business valuations per year servicing all sectors with the healthcare industry. The Business Valuation service line is led by seven partners, Greg Koonsman, CFA, Elliott Jeter, CFA, CPA/ABV, Todd Sorensen, CVA, Stephan Peron, CVA, Vince Kickirillo, CFA, CVA, Kevin McDonough, CFA, and Aaron Murski.

Professional Service Agreements ("PSA") - VMG has a dedicated team focusing solely on professional services agreements within healthcare. Jen Johnson, CFA, leads the team and works closely with health law professionals on all issues pertinent to provider agreements between health systems and physicians. Engagements include but are not limited to the analysis of physician employment agreements, co-management agreements, call coverage agreements, and administrative service agreements, among numerous other types of agreements.

Transaction Advisory Services – VMG has dedicated professionals to assist our clients with their pursuits in buying and/or selling targeted entities. The team leader Jim Rolfe came to VMG from the largest publicly held for-profit health system where he led business development efforts for sectors including, but not limited to, acute care hospitals, imaging centers, surgery centers, specialty hospitals, physician practices, home health, and senior housing.

Purchase Price Allocations / Goodwill Impairment Testing – In this increasingly important area of financial reporting, VMG has a team focused on these valuations. Colin McDermott, CFA, CPA/ABV leads our accounting related valuation services team. Mr. McDermott has performed over 50 related engagements and issued valuation opinions on the fair value of intellectual property and other intangible assets acquired as a result of the acquisition of acute care hospitals, ambulatory surgery centers, rehabilitation hospitals, and multi-specialty physician groups. Additionally, Mr. McDermott has assisted numerous health care clients with their annual impairment

testing process as required by ASC 350 Intangible-Goodwill and Other (formerly SFAS 142).

Capital Asset Appraisal – As it relates specifically to capital asset or personal property appraisal, VMG has professionals dedicated to performing asset inventory and equipment/furniture valuations. We specialize in the inventory, tagging and valuation of major moveable equipment, medical equipment, furniture, etc. The team leader, Kevin Florenz, ASA, has over 20 years of experience in working with healthcare facilities, including almost all aspects of medical equipment.

Real Estate Valuation - As it relates specifically to real estate appraisal, VMG has a team of accredited real estate appraisal professionals focusing on the healthcare real estate market. Team leaders John Trabold, MAI, and Frank Fehribach, MAI, MRICS, have over 50 years of combined real estate appraisal experience and are licensed in almost every state. Prior assignments located in over 40 states include the valuation of regional facilities including office towers, apartment complexes, corporate headquarters, drug store portfolios, and medical office buildings, imaging centers, acute care facilities, and several major land developments.

FIRM'S PROFESSIONAL QUALIFICATIONS

VMG focuses solely on providing appraisal, valuation, and transaction advisory services related to healthcare services organizations throughout the United States and abroad. The firm was formed in 1995, and now employs approximately 80 professionals dedicated to providing healthcare valuation services. VMG performs 1,250 valuations per year throughout the United States and abroad. VMG has performed valuations in every state of the US as well as the United Kingdom, Mexico, South Africa, Singapore, and Hong Kong. The firm routinely provides transaction related valuation and appraisal services of hospitals, health systems, ambulatory surgery centers, urgent care centers, diagnostic imaging centers, radiation therapy/cancer centers, rehabilitation hospitals, physician organizations, health plans, dialysis facilities, cath labs, and other ancillary healthcare services providers. In addition, the firm has a team dedicated to the valuation of professional service arrangements such as management, co-management development, physician services, and billing & collection agreements.

VMG continues to stay abreast of definitions and guidelines utilized in determining fair market value ("FMV") for compliance purposes and will apply this knowledge in our valuation services. The Office of Inspector General, Centers for Medicare and Medicaid Services ("CMS"), Stark Law, and Anti Kick-back statute discuss guidelines for determining and documenting FMV and commercial reasonableness. Our efforts also include continual discussions with legal counsel, specialized in healthcare, as well as our attendance to all relevant conferences and educational seminars related to healthcare regulations and valuations in healthcare.

VALUATION METHODOLOGY

In conducting our analysis of the Agreements' compensation terms, we will use the standard of value for FMV as set forth in the federal physician self-referral prohibition statute, or Stark Law, at 42 C.F.R. § 411.351:

Fair market value means the value in arm's-length transactions, consistent with the general market value. "General market value" means the price that an asset would bring as the result of bona fide bargaining between well-informed buyers and sellers who are not otherwise in a position to generate business for the other party, or the compensation that would be included in a service agreement as the result of bona fide bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party, on the date of acquisition of the asset or at the time of the service agreement.

Our analysis will consider the healthcare industry's regulatory environment and standard valuation guidelines. We will consider three approaches to provide our valuation opinion: the Cost Approach, Income Approach, and Market Approach. Briefly, under the Cost Approach, we will take into consideration the underlying cost of the services being provided. The Market Approach will take into consideration similar arrangements that exist in the market place. The Income Approach will take into consideration the economics of the services being provided.

In conducting our analysis of the FMV rent and to comport with the Federal Physician Self-Referral Law (commonly known as the "Stark Law"), 42 C.F.R. §411.351, this appraisal report will convey our opinion of FMV in accordance with the Stark FMV definition (noted previously). Additionally, we define FMV rent (or market rent) as the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). Implicit in this definition are the following conditions:

- Lessee and lessor are typically motivated.
- Both parties are well informed or well advised, and acting in what they consider their best interests.
- A reasonable time is allowed for exposure in the open market.
- The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
- The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

WORK PLAN

Valuation projects generally require approximately three to four weeks for the provision of conclusions in the form of exhibits once the signed engagement letter and all requested information is received. These exhibits will include our preliminary conclusions, methodologies, assumptions, survey data, operational data and market data. In addition, it will take approximately an additional two weeks to complete the draft narrative report after exhibits have been finalized.

FEES

Our professional fees for this engagement are based upon our understanding of the scope of services to be provided as discussed herein. We have determined the professional fees to be the following:

Valuation Service	Number	Standard Fees	Proposed Fees	Discount
MSA Fee Valuation	1	\$8,000	\$5,000	37.5%
MSA Fee Valuation	2-5	\$5,000	\$3,000	40.0%
MSA Fee Valuation	6+	\$5,000	\$2,500	50.0%

As an example, if 13 MSA fee valuations were required, VMG's professional fees would be calculated as follows:

- \$5,000 – first valuation at \$5,000
- \$12,000 – four valuations at \$3,000 each
- \$20,000 – eight valuations at \$2,500 each
- **\$37,000** – **Total Fees** (average of \$2,850 per valuation)

VMG's proposed fees (which have been discounted from standard rates due to the volume of services to be provided and Counsel's representation that the MSAs will be structured similarly) are based on the anticipated time/effort of VMG's professional staff to perform the subject analyses. In a rare situation where the operational and financial results of a particular facility fall materially outside of industry norms and additional analysis is required to substantiate the proposed management fee, incremental fees of up to \$2,500 per MSA fee will be incurred. VMG will alert Counsel in advance if any of the MSA fees are materially outside of industry norms and additional analysis is required.

This fee quote assumes approximately 114 hours of service for 13 MSA fee valuations, and 8 hours of service for each additional MSA fee valuation. Should actual hours rendered exceed 137 for the 13 MSA fee valuations and 10 hours for each additional MSA fee valuation (approximately 20% above the budgeted maximum), incremental fees may be assessed.

If, after exhibits have been issued, we are asked to cease work or to wait on drafting the narrative report, we will invoice for up to 90% of the fees during the month the exhibit work was completed. We will invoice the remaining fees if the draft report is issued.

In addition, there will be a fee for out-of-pocket expenses related to the engagement, including allocated administrative expenses of \$300 related to courier services, long distance charges, research, and document preparation services.

Payment is due upon receipt of our invoice. Our invoice will be issued to you with the preliminary draft of our report. Once all balances are paid in full, the final report will be sent to you.

ADDITIONAL FEES

Our proposed fees will remain fixed unless the engagement exceeds standard hours for an engagement of this type. This may be a result of scope change, request for multiple scenarios, or significant consulting during or after the preparation of our report. If the subject engagement requires work beyond the scope of a typical engagement, then VMG will charge hourly for the work deemed to be outside of the scope of our proposed fee per the fee schedule below:

Position	Hourly Rate
Senior Partner	\$500
Partner	\$450
Senior Manager	\$400
Manager	\$350
Senior Analyst	\$300
Analyst	\$250

VMG will provide notification in advance if the engagement is approaching increased fees due to any of these factors. In addition, the following would result in additional fees:

Description	Fee
Expedited Timeline *	10% - 20%
Updated Data Submission	10% - 20%
Non-Electronic Data **	10% - 20%
On-Site Visit - Day Trip	\$2,500
On-Site Visit - Overnight Stay	\$4,000

**Applies if we are asked to complete a preliminary analysis (exhibits) within 5 business days of receiving all requested information.*

***Typically applicable with CPT code data or asset detail*

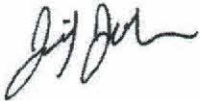
ACKNOWLEDGEMENT

If the engagement as described in this proposal letter conforms to your understanding and desires, please indicate your acceptance of our services by returning an executed copy of this document to the following address:

Jen Johnson
VMG Health
Chateau Plaza
2515 McKinney Avenue
Suite 1500
Dallas, Texas 75201
Fax: 214-369-0541

We plan to initiate work on this assignment soon after your acceptance of this proposal. Should you have any questions about this valuation assignment, please call Jen Johnson at 214-369-4888.

Respectfully submitted,



Jennifer Johnson, CFA
VMG Health, LLC

APPROVED and ACCEPTED this 19 day of Nov, 2014.

By: John E. Henry Sr
Print Name

By: John E. Henry Sr
Signature

Please indicate the address of the party to whom the invoice should be sent below (if different from signatory above):

Name: Winn-Dixie Supermarket

Address: P.O. Box 1999, Winnie, TX 75765

Attachment 1 – PSA Division Publications & Presentations

Evaluating the Fair Market Value of Pay for Performance; Healthcare Finance Management; April 2014

ACOs Current Trends and Issues; Becker's Hospital Review CEO Strategy Roundtable; November 2013

Is HOPD and Co Management Right for Your Center? Becker's 20th Annual Ambulatory Surgery Centers Conference; October 2013

Fair Market Value: The Lawyer and the Consultant, How to Have a Successful Collaboration; Texas Hospital Association/State Bar of Texas Health Law Section 2013 Health Law Conference; October 2013

Physician Compensation Fair Market Value: Reducing Time and Expense; Healthcare Financial Management National Institute 2013; June 2013

Assessing the Value of Radiologist Services with an Imaging Center Acquisition; Becker's Hospital Review; May 2013

The Latest and Greatest in Pay for Performance and ACOs; Becker's Hospital Review 4th Annual Meeting; May 2013

Trends in Physician Compensation Arrangements: Compliance Tips and FMV; Health Care Compliance Association; April 2013

Fair Market Value & Introduction To Clinical Integration Payments; The Infectious Diseases Society of America; April 2013

Radiology Alignment: Common Structures and the Value of Radiologists' Services; Imaging Biz; April 2013

Emerging Trends in Physician Alignment Strategies: Consolidation, Joint Ventures and Payment Structures; ABA 14th annual Conference on Emerging Issues in Healthcare Law; February 2013

Trends and FMV Considerations in Structuring On-Call Coverage Payments; PHA Pulse; January 2013

Five Guidelines for a Compliant Shared Savings Arrangement; Compliance Today; January 2013

The Risk and Rewards of Seeking Physician Compensation Internally; Healthcare Financial Management Association; January 2013

Hospital Operators ACO Quotes: Lay the Groundwork, or Wait and See?; Becker's Hospital Review; November 2012

Compensation and Valuation Issues in Physician Practice Acquisitions; Missouri Society of Health Care Attorneys Annual Meeting; November 2012

Sunshine Laws Update and Planning for 2013; McGuire Woods 4th Annual Medical Device and Life Sciences Conference; November 2012

Commercially Reasonable – Whose Responsibility is it?; Healthcare Financial Management Association; October 2012

What Can Be Paid For in a Co-Management Arrangement? Should You Enter Into a Co-Management Relationship?; Becker's 19th Annual Ambulatory Surgery Centers Conference; October 2012

Strategic Review of Pending Sunshine Regulations for the Pharmaceutical, Biotech, Medical Device, and GPO Industries; Webcast with VMG Health & McDermott, Will, & Emery; June 2012

Practice Advice for Your Clients on Common FMV Issues; American Health Lawyers Fraud & Abuse Newsletter, Volume 1, Issue 3; June 2012

What's Included and Not Included in Physician Compensation Survey Data? Thoughts from VMG Health Manager, Jonathan Helm; Becker's Hospital Review; June 18, 2012

Using Co-Management Effectively to Improve Results; Becker's Hospital Review Annual Meeting 2012; May 19, 2012

Valuation Overview of Physician Practice Acquisitions and Post-Transaction Compensation; Becker's Hospital Review Annual Meeting 2012; May 19, 2012

Valuation Primer – Physician Practice Acquisitions & Physician Service Agreements; Third Annual Health Law Symposium – Indiana State Bar Association; April 19, 2012

Current Developments and Key Transactional Issues Involving Fair Market Value; UT Health Law Conference; April 12, 2012

Three Steps to Navigate through the Corporate Practice of Medicine; Becker's Hospital Review; March 26, 2012

Four Tips on Reducing the Frustrations of the FMV Process for Physician Service Agreements; Becker's Hospital Review; March 5, 2012

Determining Medical Director Compensation: Q&A with Ben Ulrich of VMG Health; Becker's ASC Review; December 15, 2011

The Sunshine Provision, Fair Market Value, and Compensating KOLS; Pharmaceutical Compliance Monitor; December 2011

Monetary Decisions in Radiology Practice: Valuing Your Practice and Assessing Future Financial Trends; RSNA 2011; December 1, 2011

Preparing for Physician Payment Sunshine in 2012; 3rd Annual Medical Device, Durable Medical Equipment & Diagnostics Conference; November 2, 2011

What Can Be Paid for a Co-Management Arrangement?; 18th Annual Ambulatory Surgery Centers Conference: Improving Profitability & Business and Legal Issues; October 27, 2011

Achieving Accountable Cancer Care; Cancer Center Business Summit; October 14, 2011

Physician Alignment in Today's Market; Nashville, Tennessee; October 12, 2011

Four Common Mistakes in Determining Fair Market Value for Physician Compensation; Becker's Hospital Review; September 14, 2011

Evaluating and Determining Fair Market Value for KOLs; ExL Pharma KOL Relationship Summit; August 10, 2011

Compliance Checklist: Compensating Physicians for Quality Care; Compliance Today; August 2011

Compensating Physicians in Surgery Center Administrative Roles: Q&A with Ben Ulrich of VMG Health; Becker's ASC Review; July 11, 2011

Fair Market Value and the Sunshine Act: Preparing for Mandatory Disclosure; Rx Compliance Report; July 2011

5 Things You Should Know about Co-Management Arrangements; Healthcare Financial Management; July 2011

Co-Management Agreements, Compensation & Compliance; American Bar Association; June 2011

Valuing Physician Practices for Acquisitions: Assessing Acquisition Price & Compensation; Becker's Hospital Review Annual Meeting – ACOs, Physician-Hospital Integration, Improving Profits and Key Specialties; May 19, 2011

Fair Market Value Position Statement; The Investigator Initiated Sponsored Research Association; April 29, 2011

Valuation and Fair Market Value; University of Texas School of Law – 2011 Health Law Conference; April 14, 2011

Back to the Future: Valuation Issues in Physician Compensation; Fulbright & Jaworski, LLP; December 1, 2010

Co-Management Arrangements – Valuation and Other Issues; Becker's Ambulatory Surgery Centers Conference; October 21, 2010

Orthopedic Surgery Call Coverage Payments: Understanding and Applying Survey Data; Becker's ASC Review; September 10, 2010

Financial Relationships in Clinical Trials: Determining Fair Market Value; Clinical Research Breakfast Briefing with Neal Gerber & Eisenberg; June 15, 2010

Structure and Valuation of Quality Management and Call Coverage Arrangements; American Bar Association Health Law Section Teleconference Presentation; April 29, 2010

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Financial Relationships Associated with Clinical Trials: Disclosure, Compliance, and Fair Market Value; American Health Lawyers Association; October 7, 2009

Do You Know the Fair Market Value of Quality?; Healthcare Financial Management Association; October 2009

Paying for Call Coverage, What You Should Know; Healthcare Financial Management; July 2009

Create a Compliant On-Call Pay Model; HCPro; March 1, 2012

Fair Market Value Support Required, Physicians in Administrative Roles; American Health Lawyers Association; June 2009

Practical Guidance to Help You Understand and Plan for On-Call Coverage Payments; Becker's ASC Review; May 1, 2009

**ATTACHMENT A
TERMS AND CONDITIONS**

VMG Health's services are provided in accordance with the following terms and conditions:

- We will rely on facts provided by the client or obtained from independent third parties including any accountants, published sources, and commercial databases. We accept this information without further verification. We issue no warranty or other form of assurance regarding the accuracy of such information. Our value recommendations assume this information is materially true and correct.
- Certain matters are outside the purview of our expertise. As a result, our value recommendations assume that: (1) the parties comply fully with all federal, state, and local laws and ordinances; (2) funding for pensions and health care liabilities, if any, is adequate; and (3) there are no undisclosed factors that might render the agreements/assets/equity that are the subject of our services materially more or less valuable. Any statements by us about the above issues are based on the client's or the subject's representations. The client is responsible for independent investigation of these matters, and its own determination of their impact on the recommended value(s).
- We will not make a specific compliance survey or analysis of any asset, property, or business interest to determine whether it is subject to, or in compliance with, the Americans with Disabilities Act of 1990, and the analyses, advice, recommendations, opinions, or conclusions contained in our work product do not consider the effect, if any, of noncompliance with such law.
- Nothing contained in our work product shall be construed as investment, legal, or tax advice. Our work product is intended only for the use of the client and only for the purpose described within the engagement letter. All other uses of our work product are unauthorized and prohibited. Our work product may not be distributed, either in whole or part, to any party not our client, and mere possession of the report does not convey a right of reliance.
- We will not examine the historical, interim, or prospective financial statements provided to us according to generally accepted auditing standards. Consequently, we express no opinion thereof. While we perform the financial analysis for this engagement this analysis does not include an audit according to generally accepted auditing standards for any data provided to us by client, on client's behalf or third party. We do not opine on the validity or accuracy of such information or the standards used to arrive at the data provided to us.
- The client shall de-identify all data provided to us to remove all individually identifiable health information in accordance with the Health Information Portability and Accountability Act (HIPAA) Privacy Rule. To the extent applicable, the client shall also

ensure that the subject, or any entity providing data to VMG for this engagement on behalf of the client, provides only de-identified data to us.

- We do not provide assurance on the achievability of any forecasted results contained in our work product because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent upon the actions, plans, and assumptions of others.
- Any estimates of future performance described in our work product pertain to a specific valuation method. This method matches performance scenarios with their associated risk rates as a means of quantifying the value parameters. Use of either the future performance scenarios or the discount rate(s) separately or outside the valuation context is unauthorized and prohibited. Actual operating results may vary materially from those described.
- Our obligation pursuant to our engagement is solely a corporate obligation, and no officer, principal, director, employee, agent, shareholder, or controlling person shall be subjected to any personal liability whatsoever by any person or entity, nor will any such claim be asserted by or on behalf of any other party to this engagement or any person relying on our work product. The extent of any liability arising out of our work product shall be limited to the fees paid pursuant to our engagement.
- Our fees include only the preparation of our work product as of a specific date. All other services, including updates of value for any other date, preparation and testimony in court or before governmental agencies, or meetings about our work product after its delivery, will be provided at additional cost.
- In conducting its engagements, VMG does not inquire into the applicability of, and has assumed the compliance by all parties with, all federal, state, and local statutes, laws, ordinances, rules and regulations applicable to the healthcare industry, generally, the parties to the transaction specifically, or the legal structure of either the parties involved or the transaction itself, including without limitation the Stark Law, the Anti-Kickback Statute, the Medicare and Medicaid Patient and Program Protection Act (the "Safe Harbors"), the False Claims Act, the Civil Money Penalties Law, HIPPA, any other federal laws related thereto, any amendments thereto, any state laws of similar scope and focus, any regulations promulgated there under, any common law interpretations or obligations related thereto, any interpretations thereof by any courts at the federal, state, or local level, and any regulations promulgated by any federal or state agency, including, without limitation regulations promulgated by the United States Department of Health and Human Services, the Healthcare Financing Agency, the Centers for Medicare and Medicaid Services, the Inspector General, and any predecessor or successor agency.

- Our opinion assumes negotiations were at arm's length and that the contracting entity has determined: the duties being requested under the arrangement are necessary and not superfluous, the services required under the agreement are required based on operational needs and/or community need, the arrangement is the best fiscal option absent any consideration of referrals, the assumptions contained herein are accurate and appropriate to the best of their knowledge and the negotiations were at arm's length.

 - Our compensation is provided purely for the services provided, not on any targeted or preferred number.
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