

# **Exhibit “A”**

The Hometown Press

P.O.Box 801  
Winnie, TX 77665

# Invoice

Date	Invoice #
11/27/2017	1168

Bill To
Winnie Stowell Hospital District Sherrie Norris P.O.Box 1997 Winnie, Texas 77665

RECEIVED  
DEC 12 2017

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
2	Public Notice in The Hometown Press the size of 2 columns X 2.556 inches for the weeks of 11-29 & 12-06-2017	19.43	38.86
<b>Total</b>			\$38.86

**THE HOMETOWN PRESS**

P.O. Box 801, Winnie, TX 77665  
Office: (409) 296-9988 Fax: (409) 296-9987  
Email: [htpress99@gmail.com](mailto:htpress99@gmail.com)

**Publishers Affidavit**

The attached Public Notice

appeared in The Hometown Press; a newspaper published in Winnie, Chambers County, Texas on the following dates:

11/29  
12/06  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

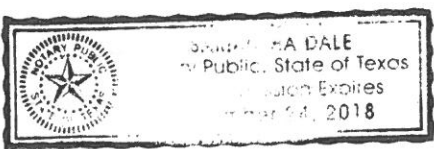
Publishers Cost: \$ 38.86

Signed *Myra Dale*  
(Newspaper Representative)

Sworn and subscribed to before me, this 8<sup>th</sup> day of December 2017.

*[Signature]*  
(Notary Public)

Commission Expires: 11/24/2018



# News

**COMMUNITY**  
**COURTESY**  
**SERVICE**  
**OBLIGATION**

*eriff*  
*ne*

In instances in which individuals were arrested on outstanding warrants, their original conviction and the reason they are on probation or parole, if available, is included in parenthesis set.

#/Issuing	Bond Amt./Type
	1500.00/Surety Bond
	15000.00/Surety Bond
042/344TH	No Bond
	5000.00/Surety Bond
	No Bond
24 - 2/253	15000.00/Surety Bond
	5000.00/Surety Bond
6 - 1/3448	
19 - 1/201	4000.00/Surety Bond

## PUBLIC NOTICE

### Notice of Public Hearing for Winnie Stowell Hospital District

Pursuant to Section 286.125 of the Texas Health and Safety Code, notice is hereby given of a **Public Hearing** to discuss the Winnie Stowell Hospital District's 2017 Budget. This public hearing will take place inside the Riceland Hospital Conference Room located in the Annex Building at 538 Broadway, Winnie, Texas 77665 on **December 20, 2017, 6:00 p.m.** At for the public hearing, the Board will take the following actions:

1. Provide guests with a copy of 2018 Budget and an opportunity to be heard; and
2. Discuss and take action on approving the Winnie Stowell Hospital District's 2018 Budget and take any needed action.

PLEASE JOIN US FOR A

*Fish Fry Dinner*

WITH YOUR STATE REPRESENTATIVE

**WAYNE FAIRCLOTH**

THURSDAY DECEMBER 7th

**6:00 PM - 8:00 PM**

WINNIE STOWELL COMMUNITY BUILDING  
 335 SOUTH PARK WINNIE, TX 77665

# To be Posted by December 10, 2017 PUBLIC NOTICE

## **Notice of Public Hearing for Winnie Stowell Hospital District**

Pursuant to Section 286.125 of the Texas Health and Safety Code, notice is hereby given of a **Public Hearing** to discuss the Winnie Stowell Hospital District's 2017 Budget. This public hearing will take place inside the Riceland Hospital Conference Room located in the Annex Building at 538 Broadway, Winnie, Texas 77665 on **December 20, 2017, 6:00 p.m.** At for the public hearing, the Board will take the following actions:

1. Provide guests with a copy of 2018 Budget and an opportunity to be heard; and
2. Discuss and take action on approving the Winnie Stowell Hospital District's 2018 Budget and take any needed action.

# Exhibit “B”

# NOTICE OF PUBLIC HEARING AND REGULAR MEETING OF WINNIE-STOWELL HOSPITAL DISTRICT

**6:00 p.m.; Wednesday, December 20, 2017**

**Winnie Community Hospital – Conference Room  
Broadway, Winnie, Texas**

## **Public Hearing**

1. Call to order.
2. Determination of quorum.
3. Public Hearing regarding the Winnie Stowell Hospital District's proposed 2018 Budget
4. Adjourn.


Upon adjournment of the Public Hearing, the Board of Directors of the Winnie Stowell Hospital District will move into the Regular Meeting.

## **Regular Meeting**

1. Call to Order.
  - a. Introduction of Guests
2. Public Comment – limited to three minutes.
3. Review and Approve Minutes of Previous Meeting(s):
  - a. November 15, 2017 Regular Meeting.
4. Review and approve financials report; payment of invoices; receive Accountants report, and amend budget, if necessary.
5. Discuss and take action on adopting a 2018 budget.
6. Discuss and take action on Committee Reports:
  - a. Finance Committee: Dir. Espinosa and Dir. Stramecki;
  - b. Hospital ER Project Committee: Dir. Murrell and Dir. Stramecki
  - c. Indigent Healthcare Committee: Dir. Burgess and Dir. Rollo;
  - d. Personnel Committee: Dir. Burgess and Dir. Rollo; and
  - e. Hospital Liaison: Dir. Espinosa.

7. Discuss and take action on reports, if necessary, by:
  - a. District Administrator;
  - b. District Indigent Care Director;
  - c. District General Counsel;
  - d. LTC Report; and
  - e. Hospital Report
8. Discuss and take action, if necessary on approving amended Management Agreements with the Managers of the District's Nursing homes.
9. Discuss and take action, if necessary, on approving an Amended Document Retention Policy.
10. Discuss and take action, if necessary on approving the Second Amended Service Agreement with the LTC Group.
11. Discuss and take action, if necessary, on acquiring additional nursing homes.
12. Discuss and take action, if necessary on approving youth counseling program.
13. Discuss any other such matters before the Board.

The notice for this meeting was filed and posted in compliance with the Texas Open Meeting Act on the 15th day of December 2017.

  
 Submitted by: Sherrie Norris, District Administrator

\*\*\*\*\*

The Board may retire to Executive Session any time between the meetings opening and adjournment for the purpose of consultation with legal counsel pursuant to Chapter 551.071 of the Texas Government Code; discussion of personnel matters pursuant to Chapter 551.074 of the Texas Government Code; to discuss Health Care Services as provided by Chapter 551.085 of the Texas Government Code; and/or, discussion of real estate acquisitions pursuant to Chapter 551.072 of the Texas Government Code. Action, if any, will be taken in open session.

\*\*\*\*\*

A packet containing all *existing* supportive documentation for this agenda is available for inspection upon receipt of a *written request* and can be made available at Winnie Community Hospital, located at Broadway, Winnie, Texas between the hours of 7:00 p.m. and 9:00 p.m. Please call Sherrie Norris at (409) 296-1003 or e-mail her at [sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com) to arrange a viewing or copies of the documents.



Winnie-Stowell Hospital District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call Sherrie Norris at (409) 201-3922 for information. Hearing impaired or speech disabled persons equipped with telecommunication devices for the deaf may utilize the statewide Relay Texas Program, 1-800-735-2988.

# Exhibit “C-1”



# Exhibit “C-2”

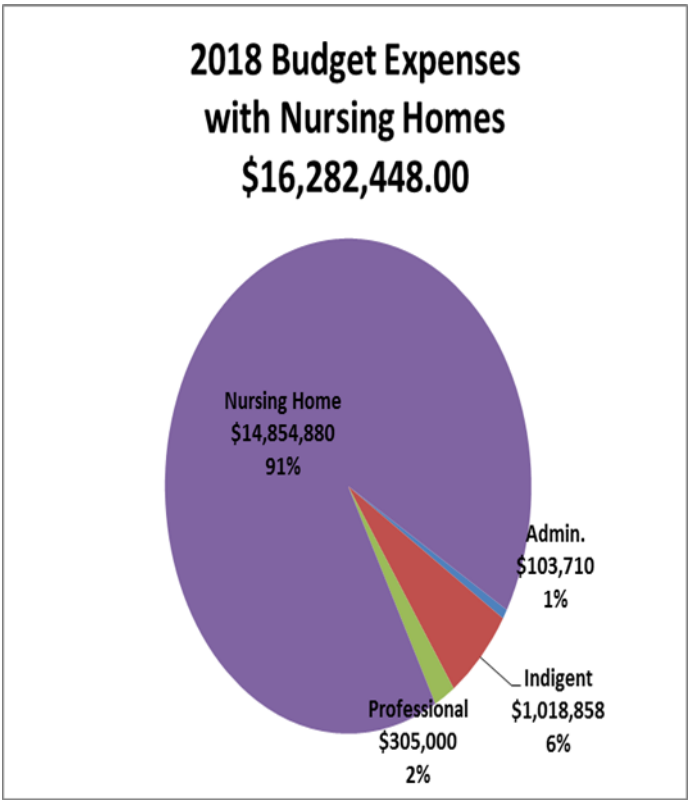
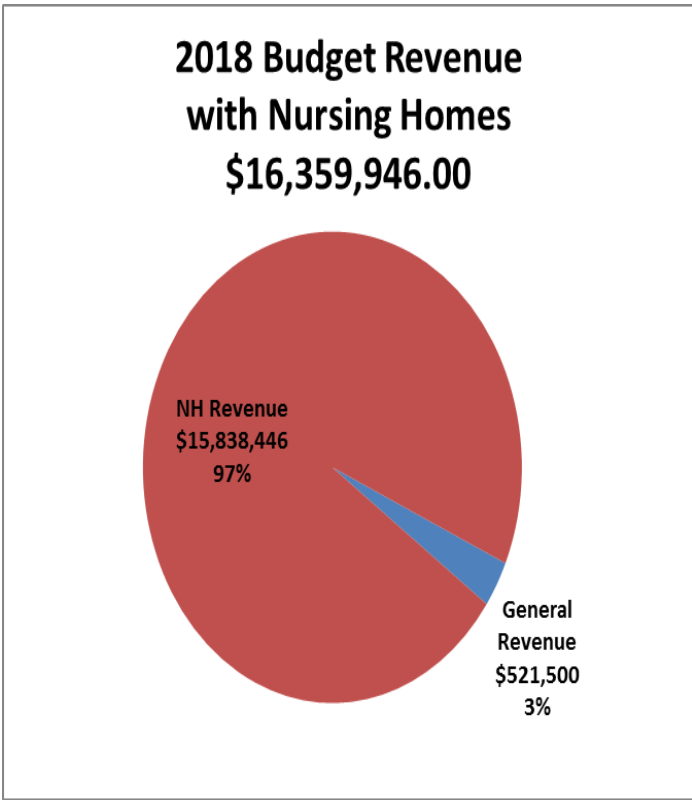


# Exhibit “D”

**2018 Proposed Budget and Amendments**

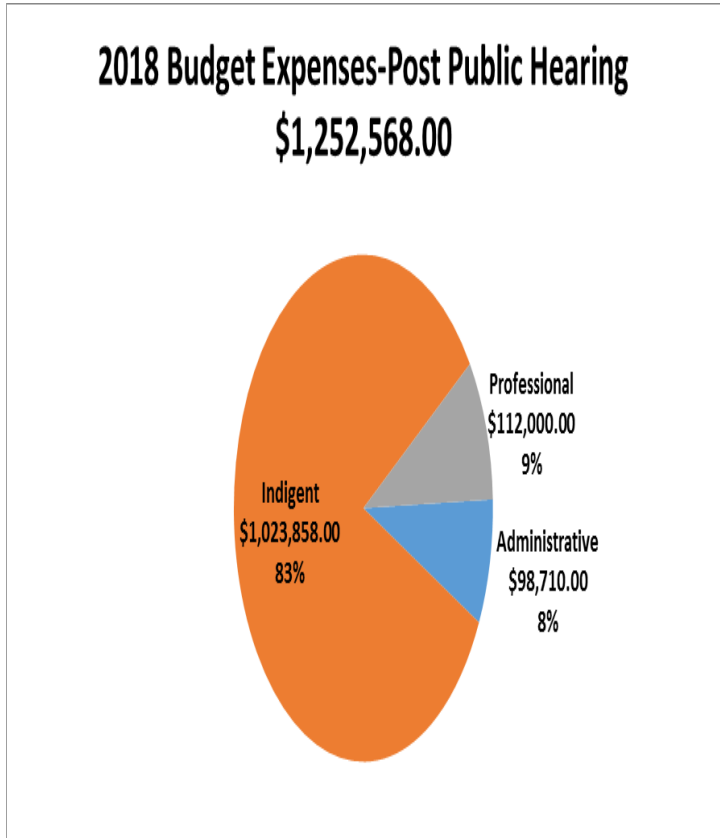
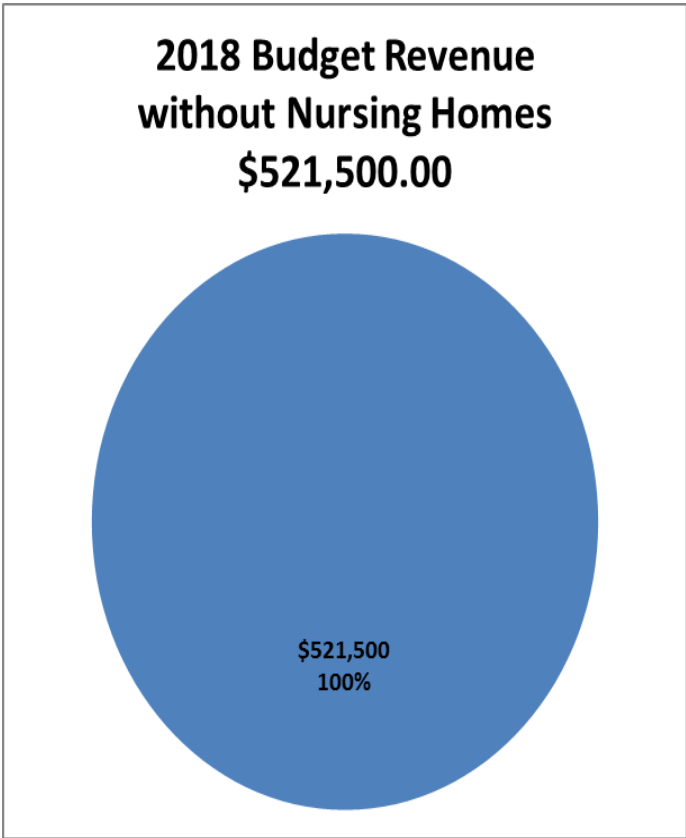
		Filter/Sort by Title	Revised Budget Post Amendment 3
<b>Beginning of Year Governmental Fund Balance</b>			
<b>Revenue</b>			
	400 Sales Tax Revenue	Income	\$500,000.00
	405 Investment Income	Income	\$10,000.00
	409 Tobacco Settlement	Income	\$11,500.00
	410 Other Revenue	Income	
	415 Nursing Home-QIPP Programs	NH Income	\$15,838,446.00
	<b>Total Income</b>		<b>\$16,359,946.00</b>
<b>Total Revenue Plus Beginning Fund Balance</b>			
<b>Expense</b>			
	500 Admin-Administrator Salary	Admin	\$52,000.00
	501 Admin-Security	Admin	\$1,200.00
	504 Admin-Administrator's Payroll Taxes	Admin	\$4,500.00
	505 Admin-Board Bonds	Admin	\$250.00
	515 Admin-District Bank Service Charges	Admin	\$360.00
	521 Professional Fees -District Acctg	Professional	\$12,000.00
	522 Professional Fees - Audit	Professional	\$50,000.00
	523 Professional Fees - District Legal	Professional	\$50,000.00
	550 Admin-D&O / Liability Insurance	Admin	\$15,000.00
	560 Admin-Cont Ed, Travel & Seminar	Admin	\$5,000.00
	561 Admin-Cont Ed-Med Personnel	IC	\$5,000.00
	562 Admin-Travel & Mileage Reimbursed	Admin	\$1,000.00
	569 Admin-Meals	Admin	\$2,500.00
	570 Admin-District/County Promotion	Admin	\$5,000.00
	571 Admin-Office Supplies/Postage	Admin	\$3,600.00
	572 Admin-Web-Site	Admin	\$1,500.00
	573 Admin-Copier Lease/Contract	Admin	\$1,800.00
	575 Admin-Cell Phone Reimbursement	Admin	\$1,800.00
	576 Admin-Telephone/Internet	Admin	\$2,000.00
	590 Admin-Election Cost	Admin	\$1,000.00
	591 Admin- Notices & Fees	Admin	\$100.00
	600 IC-East Chambers ISD Partnership	IC	\$180,000.00
	601 IC-Pmt to Hosp-Equip	IC	\$0.00
	602 IC-WCH 1115 Waiver UC/IGT Prog	IC	\$496,000.00
	603A IC-Pharmaceutical Costs	IC	\$79,000.00
	604 IC-Non Hosp. Costs-Other	IC	\$10,000.00
	604 IC-Non Hosp. Costs-UTMB	IC	\$180,000.00
	605 IC-Office Supplies/Postage	IC	\$1,200.00
	606 IC-Pmt to Hosp.-ER	IC	\$0.00
	607 IC-Non Hosp. Costs-WSEMS	IC	\$0.00
	611 IC-Indigent Care Director Salary	IC	\$27,000.00
	612 IC-Payroll Taxes for Director	IC	\$2,400.00
	615 IC-Software	IC	\$12,708.00
	616 IC-Travel	IC	\$550.00
	617 Youth Counseling	IC	\$30,000.00
	630 NH Program - Mgt Fees	NH	\$3,148,972.00
	631 NH Program IGT	NH	\$9,540,501.00
	633 NH Program-Acctg Fees	NH	\$43,000.00
	634 NH Program-Legal Fees	NH	\$150,000.00
	635 NH Program-LTC Fees	NH	\$1,082,957.00
	636 NH Program - Bonds	NH	\$450.00
	637 NH Program-Interest Expense	NH	\$1,058,406.00
	638 NH Program Bank Fees & Misc	NH	\$0.00
	639 Nursing Home Appraisal	NH	\$23,594.00
	653 Service Fee	Admin	\$100.00
	<b>Total Expense</b>		<b>\$16,282,448.00</b>
	<b>Net Income</b>		<b>\$77,498.00</b>

With Nursing Homes		
Category	Amount	Percentage
<b>Income</b>		
General Revenue	\$521,500.00	3.19%
NH Revenue	\$15,838,446.00	96.81%
	\$16,359,946.00	
<b>Expenses</b>		
Administrative	\$103,710.00	0.64%
Indigent	\$1,018,858.00	6.26%
Professional	\$305,000.00	1.87%
Nursing Home	\$14,854,880.00	91.23%
	\$16,282,448.00	





Budget Summary Without Nursing Homes		
Category	Amount	Percentage
<b>Income</b>		
General Revenue	\$521,500.00	100.00%
	<b>\$521,500.00</b>	
<b>Expenses</b>		
Administrative	\$103,710.00	8.40%
Indigent	\$1,018,858.00	82.53%
Professional	\$112,000.00	9.07%
	<b>\$1,234,568.00</b>	



# Exhibit “E-1”

Winnie-Stowell Hospital District

Register: 100 Prosperity Bank -Checking

From 11/15/2017 through 12/20/2017

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
11/15/2017	2287	American Education ...	200 Accounts Payable	92 5529 5461	150.14	X		534,205.32
11/15/2017	2288	Brookshire Brothers	200 Accounts Payable	IC Batch Date 1...	8,790.02	X		525,415.30
11/15/2017	2289	Carroll R Hand Insura...	200 Accounts Payable	Inv # 14080 Bo...	50.00	X		525,365.30
11/15/2017	2290	David Sticker	200 Accounts Payable	Inv # 19922	2,156.25	X		523,209.05
11/15/2017	2291	Hubert Oxford	200 Accounts Payable	1/2 Retainer	500.00	X		522,709.05
11/15/2017	2292	Indigent Healthcare S...	200 Accounts Payable	Inv # 65046	1,059.00	X		521,650.05
11/15/2017	2293	Josh Heinz	200 Accounts Payable	1/2 Retainer	500.00	X		521,150.05
11/15/2017	2294	Prosperity Bank (CC)	200 Accounts Payable	2704	142.87	X		521,007.18
11/15/2017	2295	UTMB at Galveston	200 Accounts Payable	IC Batch Date 1...	8,436.56	X		512,570.62
11/15/2017	2296	UTMB Faculty Group...	200 Accounts Payable	IC Batch Date 1...	3,641.96	X		508,928.66
11/15/2017	2297	Wilcox Pharmacy	200 Accounts Payable	IC Batch Date 1...	1,246.83	X		507,681.83
11/15/2017	2298	Carroll R Hand Insura...	200 Accounts Payable	Inv #14081 Bo...	50.00	X		507,631.83
11/16/2017		Funcion 4-Lease fka ...	573 Admin-Copier Leas...	ACH Payment ...	133.42	X		507,498.41
11/16/2017		Time Warner Cable	576 Admin-Telephone/L...	ACH Payment ...	192.06	X		507,306.35
11/16/2017		QuickBooks Payroll S...	Direct Deposit Liabilities	Created by Payr...	2,395.37	X		504,910.98
11/17/2017			117 NH - QIPP Prog Re...	Deposit		X	282,815.05	787,726.03
11/17/2017	DD1078	Jimenez, Deyanira	-split-	Direct Deposit		X		787,726.03
11/17/2017	DD1079	Norris, Sherrie	-split-	Direct Deposit		X		787,726.03
11/20/2017			190 NH Payables Comb...	Wire Transfer ...		X	15,008.44	802,734.47
11/21/2017			190 NH Payables Comb...	Wire Transfer ...		X	33,373.57	836,108.04
11/22/2017		GenesisHC	-split-	Wire Transfer ...	327,186.18	X		508,921.86
11/22/2017		GenesisHC	-split-	Wire Transfer F...	20.00	X		508,901.86
11/24/2017			190 NH Payables Comb...	Wire Transfer ...		X	3,422.00	512,323.86
11/28/2017			190 NH Payables Comb...	Wire Transfer ...		X	6,677.15	519,001.01
11/28/2017			550 Admin-D&O / Liab...	Deposit		X	31.85	519,032.86
11/29/2017			190 NH Payables Comb...	Wire Transfer ...		X	14,056.37	533,089.23
11/29/2017		LTC Group	635 NH Program-LTC ...	Wire Transfer ...	216,580.00	X		316,509.23
11/29/2017		LTC Group	635 NH Program-LTC ...	Wire Transfer F...	20.00	X		316,489.23
11/30/2017			405 Investment Income	Acer Earning P...		X	101.26	316,590.49
11/30/2017		QuickBooks Payroll S...	Direct Deposit Liabilities	Created by Payr...	2,444.78	X		314,145.71
12/01/2017	DD1080	Jimenez, Deyanira	-split-	Direct Deposit		X		314,145.71
12/01/2017	DD1081	Norris, Sherrie	-split-	Direct Deposit		X		314,145.71
12/04/2017			190 NH Payables Comb...	Wire Transfer ...		M	19,719.74	333,865.45
12/06/2017			190 NH Payables Comb...	Wire Transfer ...		M	12,413.03	346,278.48
12/07/2017			190 NH Payables Comb...	Wire Transfer ...		M	24,007.11	370,285.59
12/07/2017		Post Oak Bank	637 NH Program-Intere...	Wire Transfer ...	8,174.27	M		362,111.32
12/07/2017			653 Service Fee	Wire Transfer F...	20.00	M		362,091.32
12/08/2017			400 Sales Tax Revenue	ACH Deposit C...		M	46,541.76	408,633.08
12/08/2017			190 NH Payables Comb...	Wire Transfer ...		M	214.50	408,847.58
12/11/2017			190 NH Payables Comb...	Wire Transfer ...		M	29,044.80	437,892.38
12/11/2017	995024	ECISD	600 East Chambers ISD...	Check	15,000.00	M		422,892.38

Winnie-Stowell Hospital District

Register: 100 Prosperity Bank -Checking

From 11/15/2017 through 12/20/2017

Sorted by: Date, Type, Number/Ref

<b>Date</b>	<b>Number</b>	<b>Payee</b>	<b>Account</b>	<b>Memo</b>	<b>Payment</b>	<b>C</b>	<b>Deposit</b>	<b>Balance</b>
12/12/2017			190 NH Payables Comb...	Wire Transfer ...		M	14,911.51	437,803.89
12/13/2017		IRS	235 Payroll Liabilities	ACH Payment L...	1,553.36	M		436,250.53
12/14/2017			190 NH Payables Comb...	Wire Transfer ...		M	6,446.00	442,696.53
12/14/2017		QuickBooks Payroll S...	Direct Deposit Liabilities	Created by Payr...	2,327.18	M		440,369.35
12/15/2017	DD1082	Jimenez, Deyanira	-split-	Direct Deposit		X		440,369.35
12/15/2017	DD1083	Norris, Sherrie	-split-	Direct Deposit		X		440,369.35
12/18/2017			190 NH Payables Comb...	Wire Transfer ...		M	10,901.28	451,270.63
12/18/2017		Funcion 4-Lease fka ...	573 Admin-Copier Leas...	ACH Payment ...	133.42	M		451,137.21
12/18/2017		Time Warner Cable	576 Admin-Telephone/L...	ACH Payment ...	192.06	M		450,945.15

**Winnie-Stowell Hospital District**  
**Open Invoices for Approval**  
As of December 20, 2017

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
200 Accounts Payable					
Bill Pmt -Check	12/20/2017	2301	American Education Services	92 5529 5461	150.14
Bill Pmt -Check	12/20/2017	2299	Benckenstein & Oxford	Inv # 48731	21,371.20
Bill Pmt -Check	12/20/2017	2300	Brookshire Brothers	IC Rx Nov 2017	4,524.50
Bill Pmt -Check	12/20/2017	2302	Carroll R Hand Insurance Agency	Inv 14148 - Bond Renewal S Burgess	50.00
Bill Pmt -Check	12/20/2017	2303	David Sticker	Inv #19947	3,281.25
Bill Pmt -Check	12/20/2017	2304	Function 4 Cotract (fka Star Graphics)	3A0064	89.27
Bill Pmt -Check	12/20/2017	2305	Hometown Press	Inv #1168	38.86
Bill Pmt -Check	12/20/2017	2307	Hubert Oxford	1/2 Legal Retainer	500.00
Bill Pmt -Check	12/20/2017	2308	Indigent Healthcare Solutions, LTD	Inv #95195	1,059.00
Bill Pmt -Check	12/20/2017	2316	Johnston LLC	Inv # 0003808	438.80
Bill Pmt -Check	12/20/2017	2309	Josh Heinz	1/2 Legal Retainer	500.00
Bill Pmt -Check	12/20/2017	2310	Prosperity Bank	Nov Inv	179.61
Bill Pmt -Check	12/20/2017	2311	Quill Corporation	C7769473	61.14
Bill Pmt -Check	12/20/2017	2312	UTMB at Galveston	IC Batch Date 10.31	9,591.13
Bill Pmt -Check	12/20/2017	2313	UTMB Faculty Group Practice	Batch Date 11/30/2017	2,652.51
Bill Pmt -Check	12/20/2017	2315	Walker & Associates, Inc	Inv 2297	47,397.16
Bill Pmt -Check	12/20/2017	2314	Wilcox Pharmacy	IC Rx Nov 2017	1,069.17
					<u>92,953.74</u>
					<b><u>92,953.74</u></b>



RECEIVED  
DEC 19 2017

33801803530001



December 4, 2017

# MONTHLY BILL

Name: SHERRY STERN  
Account Number: 92 5529 5461

Payment Summary	
Last Payment Received	11/22/2017
Current Payment Due	\$150.14
<b>Total Due by 12/25/2017</b>	<b>\$150.14</b>

## YOUR LOAN DETAILS

Loan Sequence	Date Disbursed	Loan Program	Original Balance	Current Balance	Outstanding Interest	Interest Rate	Monthly Payment	Current Due
*1002	11/29/2006	SUBCNS	\$13,150.00	\$6,913.23	\$8.52	3.750%	\$90.67	\$90.67
*1001	11/29/2006	UNCNS	\$8,625.28	\$4,534.18	\$5.59	3.750%	\$59.47	\$59.47

Outstanding interest accrued as of 12/04/2017

\*Late fees will be assessed in accordance to the requirements set forth by the loan owner. Each unique owner/loan program may have differing late fee requirements. The owner will assess late fees on any loans listed above that are identified with an asterisk. If there are dates listed below the heading 'Received After This Date', which are prior to the date you are making your payment, the following late fee will be assessed.

Received After This Date	Late Fee to be Assessed
01/08/2018	\$7.50

### Would you rather receive this statement electronically?

Sign in to Account Access at AesSuccess.org and update your Account Profile preferences if you would prefer that we send you an email reminder instead of a paper statement.

Total paid since your last statement	\$150.14
Interest Satisfied	\$35.63
Principal Satisfied	\$114.51

As of today, you've paid on your loans	\$12,311.48
Total Interest Satisfied	\$4,055.44
Total Principal Satisfied	\$8,256.04

You may be required to remit your full monthly installment amount, even if your loan(s) are paid ahead, in order to maintain reduced interest rate eligibility under any applicable Repayment Incentive Program and to not affect your eligibility for other borrower benefits, such as cosigner release offered by your lender(s). Contact us for details.

**Make checks payable to American Education Services and include your 10 digit account number.**

### Customer Statement

(IF LATE, SEE ABOVE)

Amount Enclosed: Do not write dollar sign in boxes below or on check.

Account Number:

Due Date:

Total Amount Due:

92 5529 5461

12/25/2017

\$ 

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\$150.14

20173380192552954611000015014000000000000000005



AMERICAN EDUCATION SERVICES  
PAYMENT CENTER  
HARRISBURG PA 17130-0001



#BWNHKB  
#B612 1327 2512 04L7#  
SHERRY STERN  
9302 EAGLES LNDG  
MAGNOLIA TX 77354-6865

**Benckenstein & Oxford, L.L.P.**

3535 Calder Avenue, Suite 300  
Beaumont, TX 77706

**November 16, 2017**

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

**INVOICE #: 48731 HOIV**  
Billed through: July 31, 2017  
Client/Matter #: WSHD 87250

RE: Winnie-Stowell Hospital District

**PROFESSIONAL SERVICES RENDERED**

07/05/17	HOIV	Worked extensively on cash flow spreadsheet for QIPP 1 & 2, and MPAP 3 and held conference calls with Salt Creek Capital Lender and Post Oak Capital to discuss concerns involving pre-payment of interest.	8.00 hrs
07/06/17	HOIV	Continued work on E.R., QIPP 1 and 2, and MPAP 3 cash flow spreadsheet and drafted e-mail to LTC Group explaining spreadsheet and requesting verification.	4.00 hrs
07/06/17	HOIV	Met with David Sticker to review spreadsheet for MPAP 3 and QIPP and then made revisions to spreadsheet as a result of the meeting.	2.80 hrs
07/06/17	HOIV	Conference calls with Lenders and LTC Group regarding terms of loan for MPAP and accuracy of ER, QIPP, and MPAP spreadsheet.	1.30 hrs
07/06/17	HOIV	Exchanged four (4) e-mails with LTC Group and staff regarding receipt of MPAP reconciliation funds.	0.30 hrs
07/07/17	HOIV	Exchanged multiple conference calls with Lender regarding terms of MPAP 3 loan.	0.70 hrs
07/07/17	HOIV	Prepared Loan documents for MPAP 3 by modifying existing loan documents to account for new terms	3.40 hrs
07/07/17	HOIV	Worked with staff and CPA to determine settlement values for MPAP 1 & 2 for each facility by way of reviewing and updated prior spreadsheets and exchanging several conference calls with staff.	1.50 hrs
07/07/17	HOIV	Worked with staff to review and make comments to the Interlocal Agreement with UTMB to provide outpatient care.	1.20 hrs
07/07/17	HOIV	Conference call with UTMB staff to discuss questions with Interlocal Agreement requested for outpatient care of the District's indigent clients.	0.40 hrs
07/07/17	HOIV	Worked with LTC staff on reconciling MPAP settlement payments to verify the District's numbers matched the LTC numbers by reviewing spreadsheets and exchanging ten (10) e-mails.	2.40 hrs
07/08/17	HOIV	Received e-mails from Salt Creek Capital with revisions to Loan 11 documents; made the revisions; and exchanged ten (10) e-mail regarding the terms of loan and needed changes to loan documents.	2.60 hrs

07/09/17	HOIV	Made revisions to spreadsheet for ER, QIPP, and MPAP Cash flow in anticipation of Special Meeting; prepared Board packet.	3.00 hrs
07/09/17	HOIV	Exchanged six (6) e-mails with Hospital staff and architect regarding final executed agreement and July 12, 2017 meeting.	0.40 hrs
07/09/17	HOIV	Prepared Board packet for upcoming Special Meeting.	0.80 hrs
07/10/17	HOIV	Prepared for and attended regular monthly meeting and then returned to office and made changes to documents and spreadsheets following the Board meeting.	6.00 hrs
07/11/17	HOIV	Worked with staff and LTC Group to coordinate the transfer of funds from Post Oak Bank and Salt Creek Capital to the District's Interbank Account by way multiple conference calls and sixteen (16) e-mails.	2.60 hrs
07/11/17	HOIV	Conference call with Board President, LTC Group, and Caring Healthcare regarding potential adjustments to incentive fees for MPAP 3 and exchanged nine (9) with Caring and Genesis regarding the same.	1.80 hrs
07/12/17	HOIV	Participated in separate conference calls with Genesis and Caring Healthcare regarding MPAP 3 adjustments and drafted extensive e-mail to both managers explaining the basis for a request for an adjustment.	1.70 hrs
07/12/17	HOIV	Exchanged multiple e-mails with HUD Loan counsel for Caring Healthcare to determine the status of the Caring Healthcare HUD Loans.	0.30 hrs
07/12/17	HOIV	Prepared spreadsheets for MPAP 3 illustrating rate adjustments of 5% and exchanged conference calls with LTC and Caring Healthcare regarding rate adjustment proposal.	2.40 hrs
07/13/17	HOIV	Conference call with HMG Managers regarding utilization of Post Oak Bank accounts.	0.50 hrs
07/13/17	HOIV	Following up call with Steve Lucas to discuss outcome of conference call with HMG regarding utilization of Post Oak Bank accounts.	0.20 hrs
07/14/17	HOIV	Received invoices from Denton firm for work on drafting letter regarding IGTs and responded to the same verifying that the District received all outstanding invoices for the firm's work.	0.30 hrs
07/14/17	HOIV	Exchanged e-mails with Derrick Prince, with HMG to begin the discussion of amending Management Agreements to reflect the correct QIPP IGT repayment scheme.	0.40 hrs
07/14/17	HOIV	Drafted e-mail to managers advising them of opinion by Charles Luband as to IGT funds.	0.30 hrs
07/14/17	HOIV	Exchanged four (4) e-mails with Josh Rodriguez, Wells Fargo, to answer questions concerning the DACA agreements and lien holders on various District accounts at Wells Fargo.	0.60 hrs
07/18/17	HOIV	Receipt and review of counter-proposal by Genesis Healthcare for MPAP 3 adjustments.	0.30 hrs



Client-	WSHD 87250	Invoice # 48731	PAGE	3
07/19/17	HOIV	Drafted e-mail response to Genesis and held conference calls with Board members to get approval for the e-mail regarding 5% change in Management Agreements for MPAP 3.	1.80 hrs	
07/19/17	HOIV	Reviewed notes and began preparing minutes for July 10, 2017 Special Meeting and the June 21, 2017 Regular Meeting.	3.70 hrs	
07/19/17	HOIV	Received engagement letter from Durbin & Associates and exchanged four (4) e-mails with auditor regarding schedule to complete 2016-2017 Audit.	0.40 hrs	
07/20/17	HOIV	Continued drafting July 10, 2017 Special Meeting Minutes and the June 21, 2017 Regular Meeting and finalized the complete draft.	2.50 hrs	
07/20/17	HOIV	Exchanged e-mails with Post Oak Bank regarding terms and due dates for interest payments to LOC.	0.30 hrs	
07/20/17	HOIV	Exchanged four (4) e-mails and a conference call with Bob Walker, Emergency Room project manager, discussing the implementation and requirements of Chapter 271 of the Local Government Code.	0.40 hrs	
07/21/17	HOIV	Researched preferred contractors and Chapter 271 of the Local Government Code and issued an opinion to project manager for Hospital District Emergency Room project.	3.00 hrs	
07/21/17	HOIV	Conference call with Caring Healthcare to discuss QIPP payment schemes.	0.40 hrs	
07/21/17	HOIV	Finalized minutes from July 10, 2017 Special Meeting and June 21, 2017 Regular Meeting; reviewed budget for MPAP 3 and QIPP payment schedules; and made recommended changes to the District's CPA to account for MPAP 3 and QIPP revenue and expenses.	2.50 hrs	
07/24/17	HOIV	Conference call with Bob Walker regarding status of Emergency Room.	0.30 hrs	
07/24/17	HOIV	Receipt and review of DACA and DAISA Agreements for Clairmont and Woodlands facilities between District, Wells Fargo, and Salt Creek Capital.	1.30 hrs	
07/24/17	HOIV	Conference call with Gary Klein with Caring Healthcare regarding QIPP payments and exchanged six (6) e-mails between LTC Group and Mr. Klein regarding the same.	0.90 hrs	
07/25/17	HOIV	Exchanged three (3) e-mails with Genesis regarding MPAP 3 adjustments and Genesis' position.	0.60 hrs	
07/26/17	HOIV	Prepared for and attended July 26, 2017 Monthly Meeting.	4.50 hrs	
07/27/17	HOIV	Received e-mail from Caring Healthcare about MPAP 3 and held a conference call with LTC and Caring Healthcare to discuss.	0.60 hrs	
07/27/17	HOIV	Received and reviewed e-mail from Caring Healthcare regarding the need to establish a procedure for filing QAPI reports and drafted e-mail to all managers requesting input for a unified set of procedures to file QAPI reports.	0.30 hrs	
07/27/17	HOIV	Following Board meeting, made revisions to documents in Board Binders to redistributed binders to Board members and interested citizens.	1.00 hrs	
07/27/17	HOIV	Began review of Amended Management Agreement for Genesis and Caring	2.40 hrs	

Healthcare by organizing the document; comparing it to existing Management Agreement; and refreshed recollection on terms in agreement.

07/28/17 HOIV Continued review and making revisions to Management Agreement for Caring Healthcare and Genesis. 7.00 hrs

07/28/17 HOIV Participated in multiple conference calls and exchanged twelve (12) e-mails with LTC Group regarding MCO forms designating the District's Wells Fargo accounts to be the depository for QIPP funds and the importance of having the depository be designated as the District's Interbank account. 1.20 hrs

07/31/17 HOIV Finalized review and changes to proposed Management Agreement with Caring Healthcare and Genesis Healthcare. 4.00 hrs

Total fees for this matter \$22,325.00

**DISBURSEMENTS**

07/31/17 Copy Expense 46.20

Total disbursements for this matter \$46.20

**BILLING SUMMARY:**

Oxford, IV Hubert 89.30 hrs @ \$250.00 /hr \$22,325.00

TOTAL FEES \$22,325.00

TOTAL DISBURSEMENTS \$46.20

TOTAL CHARGES FOR THIS INVOICE \$22,371.20

RETAINER \$1,000.00 CR

**TOTAL BALANCE NOW DUE \$21,371.20**

Federal ID# 74-1646478

**Invoice Terms: Net 10 Days Upon Receipt**  
Please Reference Invoice Number on Your Check

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
Batch Dates 11/30/17-11/30/17

Brookshire Bros. Phar. (winnie)  
P.o. Box 1359  
Winnie, TX 77665

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	4,524.50
	<b>Expenditures</b>	<b>4,524.50</b>
	<b>Reimb/Adjustments</b>	<b>0.00</b>
	<b>Grand Total</b>	<b>4,524.50</b>

35 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2749*65460*30	WSHD	11/16/17	11.63	11.63	
036-2749*65460*30	WSHD	11/16/17	78.75	78.75	
036-2749*65460*30	WSHD	11/17/17	39.21	27.91	
036-2811*65460*26	WSHD	11/06/17	45.62	45.62	
036-2815*65460*5	WSHD	11/09/17	34.00	31.90	
036-2815*65460*5	WSHD	11/06/17	34.40	34.40	
036-2815*65460*5	WSHD	11/01/17	248.67	207.57	
036-2821*65460*9	WSHD	11/21/17	31.62	31.62	
036-2821*65460*9	WSHD	11/20/17	4.44	4.44	
036-2821*65460*9	WSHD	11/03/17	147.02	147.02	
036-2856*65460*14	WSHD	11/09/17	25.00	25.00	
036-2856*65460*14	WSHD	11/09/17	15.22	15.22	
036-2945*65460*5	WSHD	11/14/17	32.09	32.09	
036-2945*65460*5	WSHD	11/14/17	20.90	20.90	
036-2945*65460*5	WSHD	11/14/17	51.22	51.22	
036-2945*65460*5	WSHD	11/21/17	14.66	14.66	
036-3067*65460*7	WSHD	11/06/17	28.35	28.35	
036-3213*65460*4	WSHD	11/08/17	26.35	26.35	
036-3372*65460*10	WSHD	11/21/17	56.96	56.96	
036-3372*65460*10	WSHD	11/21/17	27.16	27.16	
036-3372*65460*10	WSHD	11/21/17	38.91	38.91	
036-3413*65460*23	WSHD	11/06/17	40.25	40.25	
036-3426*65460*30	WSHD	11/07/17	55.00	55.00	
036-3432*65460*22	WSHD	11/16/17	5.00	5.00	
036-3432*65460*22	WSHD	11/16/17	25.86	25.86	
036-3432*65460*22	WSHD	11/27/17	71.80	53.78	
036-3432*65460*22	WSHD	11/16/17	5.00	5.00	
036--3424*65460*18	WSHD	11/13/17	210.32	174.97	
036--3424*65460*18	WSHD	11/03/17	10.00	10.00	
1009*65460*2	WSHD	11/25/17	65.27	65.27	
1009*65460*2	WSHD	11/25/17	13.83	9.33	
1011*65460*22	WSHD	11/03/17	41.43	41.43	
1011*65460*22	WSHD	11/03/17	5.54	5.54	
1011*65460*22	WSHD	11/03/17	49.66	45.21	

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 11/30/17-11/30/17

Brookshire Bros. Phar. (winnie)  
 P.o. Box 1359  
 Winnie, TX 77665

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1019*65460*16	WSHD	11/30/17	5.00	5.00	
1019*65460*16	WSHD	11/30/17	5.00	5.00	
1019*65460*16	WSHD	11/30/17	56.96	56.96	
1019*65460*16	WSHD	11/30/17	25.86	25.86	
1023*65460*8	WSHD	11/18/17	44.55	44.55	
1024*65460*15	WSHD	11/02/17	28.70	28.70	
1024*65460*15	WSHD	11/07/17	17.33	17.33	
1024*65460*15	WSHD	11/07/17	5.00	5.00	
1030*65460*16	WSHD	11/16/17	94.97	94.97	
1030*65460*16	WSHD	11/16/17	28.31	28.31	
1030*65460*16	WSHD	11/24/17	30.63	30.63	
1038*65460*12	WSHD	11/02/17	1,499.68	1,158.46	
1038*65460*12	WSHD	11/01/17	46.79	46.79	
1043*65460*10	WSHD	11/03/17	20.00	20.00	
1043*65460*10	WSHD	11/03/17	45.46	45.46	
1043*65460*10	WSHD	11/07/17	10.00	10.00	
1043*65460*10	WSHD	11/07/17	53.70	53.70	
1046*65460*9	WSHD	11/02/17	33.76	33.76	
1046*65460*9	WSHD	11/02/17	10.00	10.00	
1046*65460*9	WSHD	11/02/17	25.86	25.86	
1046*65460*9	WSHD	11/02/17	5.00	5.00	
1046*65460*9	WSHD	11/02/17	11.00	11.00	
1046*65460*9	WSHD	11/02/17	13.02	13.02	
1046*65460*9	WSHD	11/02/17	27.07	27.07	
1049*65460*8	WSHD	11/03/17	39.96	39.96	
1049*65460*8	WSHD	11/03/17	12.00	12.00	
1049*65460*8	WSHD	11/20/17	12.32	12.32	
1053*65460*4	WSHD	11/06/17	18.70	18.70	
1054*65460*7	WSHD	11/27/17	10.00	10.00	
1054*65460*7	WSHD	11/27/17	15.00	15.00	
1054*65460*7	WSHD	11/01/17	451.09	336.59	
1055*65460*7	WSHD	11/14/17	34.80	34.80	
1055*65460*7	WSHD	11/14/17	280.88	280.88	
1056*65460*5	WSHD	11/30/17	78.75	78.75	
1056*65460*5	WSHD	11/30/17	24.00	24.00	
1056*65460*5	WSHD	11/30/17	12.00	12.00	
1061*65460*4	WSHD	11/03/17	9.28	9.28	
1063*65460*5	WSHD	11/06/17	30.85	29.83	
1064*65460*5	WSHD	11/22/17	50.98	50.98	
1069*65460*2	WSHD	11/20/17	16.08	16.08	
1069*65460*2	WSHD	11/20/17	22.35	22.00	
1073*65460*1	WSHD	11/20/17	7.50	7.50	
1073*65460*1	WSHD	11/07/17	11.63	11.63	
1073*65460*1	WSHD	11/15/17	18.70	18.70	
1073*65460*1	WSHD	11/15/17	12.56	12.56	
1073*65460*1	WSHD	11/15/17	15.00	15.00	
1073*65460*1	WSHD	11/15/17	10.00	10.00	

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
Batch Dates 11/30/17-11/30/17

Brookshire Bros. Phar. (winnie)  
P.o. Box 1359  
Winnie, TX 77665

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1074*65460*1	WSHD	11/08/17	18.70	18.70	
1074*65460*1	WSHD	11/08/17	7.78	7.78	
1078*65460*3	WSHD	11/02/17	24.00	24.00	
1078*65460*3	WSHD	11/02/17	81.75	81.75	
1082*65460*1	WSHD	11/13/17	16.96	16.96	
	***		<b>5,098.41</b>	<b>4,524.50</b>	
	***		<b>5,098.41</b>	<b>4,524.50</b>	

86 records listed.  
**35 total invoices**

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

Date Printed: DEC 5 2017

Invoice Number: 14148  
CLIENT#: 2133

Due Date: JAN 3 2018

Total amount due: \$50.00

Remit To:

Amount of remittance: \$ \_\_\_\_\_

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

Please return this portion with payment

Invoice Date: JAN 3 2018

Type: A

**Invoice # 14148**

Trans Code	Coverage Eff Date	Policy#	Line of Business	Description	Amount
RE	JAN 3 2018	TX811251	Surety Bonds	Renewal Sharon Burgess bond	\$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

***Carroll R. Hand Insurance Agency***

P O Drawer 1000

Anahuac TX 77514

Phone: (409) 267-3115

Fax: (409) 267-3451

---

December 5, 2017

RECEIVED

DEC 07 2017

Insured: Winnie Stowell Hospital  
District  
Company: Merchants Bonding  
Company  
Policy Number: TX811251  
Policy Period: JAN 3 2018 To  
JAN 3 2019


Attention: Sherry Norris  
Winnie Stowell Hospital District  
P.O. Box 1997  
Winnie TX 77665

Re: Sharon Burgess bond

Dear Sherry:

Enclosed is the renewal invoice for Sharon. Please remit payment prior to January 3, 2018 to avoid cancellation. Feel free to contact me with any questions or concerns.

Thank you,

  
Dana Finn  
Office Manager

DF

**David Sticker & Co. P.C.**  
**Certified Public Accountant**  
**2180 Eastex Freeway**  
**Beaumont, TX 77703**  
**(409) 899-3000**

Invoice  
submitted to:

Winnie Stowell Hospital District  
PO Box 1997  
Winnie, TX 77665

12/14/2017

Invoice # 19947

Professional Services

	<u>Amount</u>
12/14/17 <b>11-14-17</b> Review QIPP formula and spreadsheet for payment schedule as well as loan requirements. Download QBooks and review. Verify bank balances available to district and cash reserve requirements. <b>3.75</b>	3,281.25
<b>11-15-17 (AM)</b> Meet with Sherrie and review preliminary meeting reports, bank balances and liability accounts. <b>2.75 Hrs.</b>	
<b>11-15-17 (PM)</b> Make adjustments and attend meeting. <b>2.50 Hrs.</b>	
<b>11-20-17</b> Review account name and numbering changes and adjust. Discuss and formulate bank deposit procedures and coding of transfers to nursing homes. <b>4.50 Hrs.</b>	
<b>11-29-17</b> Review District accounts and entries and make adjustments as necessary. Review and process corrected reports in prep for Budget Committee meeting. <b>3.25 Hrs.</b>	
<b>11-30</b> Final review of reports and balances in prep for Budget meeting. Meet with Hubert and complete budget proposal worksheet. <b>3.00 Hrs.</b>	
<b>11-30</b> Meet with Budget committee and formulate proposed 2018 budget. <b>4.00 Hrs.</b>	
<b>12-1-17</b> Review and discuss the loan/financing options for QIPP with Hubert. <b>1.00 Hrs.</b>	
<b>12-8-17</b> Download Quickbooks update and review. Discuss with Sherrie. <b>1.50 Hrs.</b>	
<b>TOTAL HRS 26.25 @ \$125.00 = \$3,281.25</b>	
For professional services rendered	<u>\$3,281.25</u>



Winnie Stowell Hospital District

Page 2

Amount

Balance due

\$3,281.25

*Invoices Due Upon Receipt*



**CONTRACT INVOICE**

Invoice Number: INV580167  
 Invoice Date: 11/16/2017

**Bill To:** Winnie - Stowell Hospital District  
 PO Box 1997  
 Winnie, TX 77665

**Customer:** Winnie - Stowell Hospital District  
 538 Broadway  
 Winnie, TX 77665

Account No	Payment Terms	Due Date	Invoice Total	Balance Due	
3A0064	Net 30	12/16/2017	\$38.99	<b>\$38.99</b>	
<b>Invoice Remarks</b>					
Contract Number	Contact	Contract Amount	P.O. Number	Start Date	Exp. Date
4457-01		\$36.02		01/26/2016	01/25/2021
<b>Contract Remarks</b>					

**Summary:**

Contract base rate charge for this billing period	\$0.00
Contract overage charge for the 10/26/2017 to 11/25/2017 overage period	\$36.02**
	\$36.02

\*\*See overage details below

**Detail:**  
**Equipment included under this contract**

**KM/227**

Number	Serial Number	Base Adj.	Location
3A2812	A7AK011001716	\$0.00	Winnie - Stowell Hospital District 538 Broadway Winnie, TX 77665

Meter Type	Meter Group	Begin Meter	End Meter	Credits	Total	Covered	Billable	Rate	Overage
B/W	3A2812 - B/W	52,171	55,148		2,977	0	2,977	\$0.012100	\$36.02
									\$36.02

Please include invoice number on check.  
 Remit Payment To:  
 Function 4, LLC  
 12560 Reed Rd, Ste 200  
 Sugar Land, TX 77478

Invoice SubTotal	\$36.02
Tax:	\$2.97
Invoice Total	\$38.99
<b>Balance Due:</b>	<b>\$38.99</b>

# function<sup>4</sup>

EFFICIENCY EVOLVED

Customer Gateway for:

**Winnie - Stowell Hospital District (3A0064)** – 538 Broadway – Winnie, TX 77665

— Purchases —

December 2017

Number	Type	Date	Due Date	PO Number	Invoice Total	Due	Status
INV586787	Contract Invoice	12/18/2017	1/17/2018	---	\$50.28	\$50.28	Unpaid

The Hometown Press

P.O.Box 801  
Winnie, TX 77665

# Invoice

Date	Invoice #
11/27/2017	1168

RECEIVED  
DEC 12 2017

Bill To
Winnie Stowell Hospital District Sherrie Norris P.O.Box 1997 Winnie, Texas 77665

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
2	Public Notice in The Hometown Press the size of 2 columns X 2.556 inches for the weeks of 11-29 & 12-06-2017	19.43	38.86
<b>Total</b>			\$38.86

**BENCKENSTEIN & OXFORD, L.L.P.**

ATTORNEYS AT LAW  
BBVA COMPASS BANK BUILDING  
3535 CALDER AVENUE, SUITE 300  
BEAUMONT, TEXAS 77706  
TELEPHONE:(409) 833-9182  
FAX: (409) 833-8819

Hubert Oxford, IV

hoxfordiv@benoxford.com

November 20, 2017

Mr. Edward Murrell  
President  
Winnie Stowell Hospital District  
825 State Hwy 124  
Winnie Texas 77665

Re: Winnie Stowell Hospital District; Billable Invoice for July 2017 less Retainer;  
Our File No. 87250.

Dear President Murrell,

Attached, please find the second half of the firm's monthly invoice for July 2017 on behalf of Benckenstein & Oxford, LLP. This invoice is for \$22,371.20. After taking into account the \$1,000.00 retainer that has previously been paid, the amount owed is \$21,371.20.

I am sorry for not submitting this invoice before the last meeting but the billing clerk was sick for several days and I could not generate the bill. In addition, at the next meeting, I am hoping to have August and September 2017.

If there are any questions, please do not hesitate to contact me. Otherwise, we would appreciate your payment of this invoice.

With best wishes, I am

Sincerely,

**BENCKENSTEIN & OXFORD, L.L.P.**

By: \_\_\_\_\_

  
Hubert Oxford, IV

Enclosure

**BENCKENSTEIN & OXFORD, L.L.P.**

ATTORNEYS AT LAW  
BBVA COMPASS BANK BUILDING  
3535 CALDER AVENUE, SUITE 300

Hubert Oxford, IV

BEAUMONT, TEXAS 77706  
TELEPHONE:(409) 833-9182  
FAX: (409) 833-8819

hoxfordiv@benoxford.com

December 12, 2017

Mr. Edward Murrell  
President  
Winnie Stowell Hospital District  
825 State Hwy 124  
Winnie Texas 77665

Re: Invoice and Draft Minutes for November 15, 2017 Regular Meeting; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft minutes for November 15, 2017 Regular Meeting. After you have had a chance to review these minutes, please let me know if there are any changes that need to be made.

Also, please allow this letter to serve as a *partial invoice* for \$1,000.00 representing the retainer for work performed in November 2017. We would request that you put this invoice in line for payment at the November 15, 2017 Regular meeting. When we submit our time invoice for November 2017, we will give the District credit for the \$1,000.00 payment.

If you concur, please draft a check in the amount of \$500.00 checks payable to Josh Heinz and a second check for \$500.00 to Hubert Oxford, IV.

With best wishes, I am

Sincerely,

**BENCKENSTEIN & OXFORD, L.L.P.**



---

Hubert Oxford, IV

Indigent Healthcare Solutions, Ltd.  
2040 North Loop, 336 West, Suite 304  
Conroe, TX 77304

Invoice # 65195

Phone # (800) 834-0560

Fax # (936) 756-6741

Date: 12/1/2017

WINNIE STOWELL HOSPITAL DISTRICT  
P O BOX 1997  
WINNIE, TX 77665

RECEIVED

DEC 04 2017

Terms: Net receipt of invoice

---

Professional services for the month of January 2018

1,059.00

---

**Total**

**\$1,059.00**

PLEASE REMIT PAYMENT TO  
INDIGENT HEALTHCARE SOLUTIONS, LTD  
ATTN: KELLEY ASTOLOS  
3011 ARMORY DRIVE, SUITE 190  
NASHVILLE, TN 37204

*THANK YOU FOR YOUR BUSINESS!!!*

**IHS**



RECEIVED

DEC 07 2017

WINNIE STOWELL HOSPITAL

Account Number: XXXX XXXX XXXX 2704

ACCOUNT SUMMARY

Credit Limit	\$10,000.00
Credit Available	\$9,816.00
Statement Closing Date	November 30, 2017
Days in Billing Cycle	30
Previous Balance	\$142.87
- Payments & Credits	\$142.87
+ Purchases & Other Charges	\$179.61
+ Cash Advances	\$0.00
+ Finance Charges	\$0.00
= New Balance	\$179.61

PAYMENT INFORMATION

New Balance	\$179.61
Minimum Payment Due	\$20.00
Payment Due Date	December 25, 2017

Questions? Call Card Services 1-800-248-9600  
 Or Write: PO Box 2360 Stop Code P-23  
 Omaha, NE 68108

Notice: SEE REVERSE SIDE FOR MORE IMPORTANT INFORMATION

TRANSACTIONS

Tran Date	Post Date	Reference Number	Transaction Description	Amount
			<b>TOTAL 4054692000142704 \$142.87-</b>	
11/20	11/20	7421703A4EHN3VP8	PAYMENT- MAIL THANK YOU ABILENE TX	142.87-
		<b>SHERRIE NORRIS</b>	<b>TOTAL 4054692000142720 \$179.61</b>	
11/01	11/01	24445749JEHVN4WYB	OFFICE DEPOT #178 BEAUMONT TX	108.00
			MCC: 5943 MERCHANT ZIP: 77701	
11/02	11/02	24445009K00DMV3LQ	USPS PO 4898150665 WINNIE TX	28.75
			MCC: 9402 MERCHANT ZIP: 77665	
11/02	11/02	24692169J5SKTKJTX	GOOGLE *SVCSAPPS_wshd- cc@google.com CA	20.00
			MCC: 7311 MERCHANT ZIP: 94043	
11/05	11/05	24610439N03PH7HMA	ADOBE *ACROPRO SUBS 800-833-6687 CA	16.21
			MCC: 5734 MERCHANT ZIP: 95110	
11/22	11/22	2444500A700G65E3B	USPS PO 4898150665 WINNIE TX	6.65
			MCC: 9402 MERCHANT ZIP: 77665	

1031 0001 VVG 002 7 31 171130 0 PAGE 1 of 2 10 3191 2000 CORP 710

Please detach bottom portion and submit with payment using enclosed envelope



PROSPERITY BANK  
 CREDIT CARD DEPARTMENT  
 402 CYPRESS ST. SUITE 100  
 ABILENE TX 79601

Payment Information

Account Number:	XXXX XXXX XXXX 2704
Payment Due Date	December 25, 2017
New Balance	\$179.61
Minimum Payment Due	\$20.00
Past Due Amount	\$0.00
Amount Enclosed:	\$

Make Check Payable to:

WINNIE STOWELL HOSPITAL  
 WINNIE STOWELL HOSPITAL  
 PO BOX 1997  
 WINNIE TX 77665-1997

710

PROSPERITY BANK  
 PO BOX 660525  
 DALLAS TX 75266-0525



405469200014270400002000000179614





22818:  
 Order Date : 12/12/2017  
 Ship Date : 12/12/2017  
 InvoiceDate : 12/12/2017  
 TIN : 36-2952904

P.O. Box 37600 Philadelphia, PA 19101-0600  
 Customer Service: 1-800-789-1331

0006287 01 AB 0.400 \*\*AUTO T9 2 1847 77665-199797 -C01-P06290-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

RECEIVED  
 DEC 18 2017

Customer PO : norrissherrie Order# : 108930840 Invoice# : 3191655 Account# : C7769473

Item Number	Description	Color	Qty shipped	Price/UM	Extended
901-7-5746Q	Quickstrip bus env 500/bx	White	1	\$33.99/box	\$33.99
901-48440	Cutless file folders.Ltr size	Asstd	1	\$22.49/box	\$22.49



Remember you can check your order status & tracking, print invoices and more in the Manage My Account section on Quill.com.

## Always Expanding Assortment.

Everything it takes for your business. Go to [Quill.com/new](http://Quill.com/new)

To help apply your payment properly, remember to include your **account #** on your check and remit your payment to the address shown below.

All shipping carrier fees are covered by Quill. A handling fee may apply to small orders. See [Quill.com/shipping](http://Quill.com/shipping).

Track shipments, pay invoices and view past orders at My Account on Quill.com.

Customer is responsible for collection fees, court costs and reasonable attorney fees to collect unpaid accounts

Mdse Total: \$56.48  
 Tax: \$4.66  
 Shipping: Free

Amount Due: \$61.14

Due Date: 01/11/2018

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

Account Number: **C7769473**  
 Winniestowell Hospital Dis



Invoice Number: **3191655**  
 Invoice Date: 12/12/2017  
 Amount Due: \$61.14  
 Payable in U.S. Dollars

Payable to:

Quill Corporation  
 P.O.Box 37600  
 Philadelphia, PA 19101-0600

0011000000031916550007769473710000000061145

Place an "X" above \_\_\_\_\_ if you include any comments, suggestions and/or address changes on the back of this payment slip.

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 11/30/17-11/30/17

Utmh At Galveston  
 P. O. Box 660120 Dept 730  
 Dallas, TX 75266

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	9,591.13
	<b>Expenditures</b>	<b>9,591.13</b>
	<b>Reimb/Adjustments</b>	<b>0.00</b>
	<b>Grand Total</b>	<b>9,591.13</b>

15 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2811*63614*4	WSHD	09/29/17	2,889.00	808.92	
036-2811*63614*4	WSHD	10/06/17	581.00	162.68	
036-2811*63614*4	WSHD	10/16/17	532.00	148.96	
036-3067*63614*3	WSHD	09/07/17	1,362.19	381.41	
036-3364*63614*1	WSHD	10/12/17	323.00	90.44	
1011*63614*2	WSHD	10/02/17	2,608.17	730.29	
1035*63614*3	WSHD	10/04/17	1,262.11	353.39	
1035*63614*3	WSHD	10/06/17	2,621.17	733.93	
1040*63614*1	WSHD	10/05/17	323.00	90.44	
1054*63614*2	WSHD	09/26/17	323.00	90.44	
1060*63614*1	WSHD	10/23/17	1,366.00	382.48	
1065*63614*2	WSHD	10/02/17	323.00	90.44	
1065*63614*2	WSHD	10/02/17	181.00	50.68	
1069*63614*4	WSHD	10/16/17	13,174.38	3,688.83	
1069*63614*4	WSHD	10/25/17	323.00	90.44	
1072*63614*3	WSHD	10/03/17	323.00	90.44	
1073*63614*1	WSHD	10/19/17	323.00	90.44	
1073*63614*1	WSHD	10/16/17	1,828.00	511.84	
1073*63614*1	WSHD	10/05/17	684.00	191.52	
1074*63614*2	WSHD	10/26/17	558.00	156.24	
1077*63614*1	WSHD	09/26/17	1,837.00	514.36	
1078*63614*1	WSHD	10/05/17	509.00	142.52	
	***		<b>34,254.02</b>	<b>9,591.13</b>	
	***		<b>34,254.02</b>	<b>9,591.13</b>	

22 records listed.  
**15 total invoices**

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 11/30/17-11/30/17

Utmf Faculty Grp Practice  
 Po Box 650859 Dep 710  
 Dallas, TX 75265

Vendor #: 63615  
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	2,652.51
<b>Expenditures</b>		<b>2,652.51</b>
<b>Reimb/Adjustments</b>		<b>0.00</b>
<b>Grand Total</b>		<b>2,652.51</b>

17 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2811*63615*3	WSHD	09/29/17	263.00	97.84	
036-2811*63615*3	WSHD	10/06/17	165.00	61.27	
036-2811*63615*3	WSHD	10/06/17	93.00	34.64	
036-2811*63615*3	WSHD	10/16/17	273.00	65.29	
036-2821*63615*1	WSHD	10/25/17	415.00	95.54	
036-2856*63615*1	WSHD	09/18/17	415.00	95.54	
036-3426*63615*1	WSHD	09/15/17	23.00	6.44	
036-3426*63615*1	WSHD	09/15/17	415.00	116.20	
1011*63615*2	WSHD	10/02/17	508.00	142.24	
1011*63615*2	WSHD	08/21/17	148.00	25.66	
1030*63615*1	WSHD	09/14/17	195.00	73.14	
1035*63615*3	WSHD	10/04/17	270.00	56.08	
1035*63615*3	WSHD	10/04/17	153.00	42.84	
1035*63615*3	WSHD	10/06/17	63.00	17.64	
1035*63615*3	WSHD	10/06/17	73.00	26.63	
1040*63615*1	WSHD	10/05/17	273.00	65.29	
1054*63615*2	WSHD	09/26/17	183.00	39.92	
1060*63615*1	WSHD	10/23/17	415.00	116.20	
1060*63615*1	WSHD	10/23/17	23.00	7.70	
1065*63615*2	WSHD	10/02/17	415.00	116.20	
1069*63615*3	WSHD	10/16/17	420.00	420.00	
1069*63615*3	WSHD	10/16/17	800.00	550.00	
1070*63615*1	WSHD	09/07/17	188.00	48.32	
1073*63615*1	WSHD	10/05/17	188.00	48.32	
1073*63615*1	WSHD	10/16/17	165.00	61.58	
1073*63615*1	WSHD	10/05/17	23.00	8.02	
1073*63615*1	WSHD	10/19/17	110.00	26.57	
1074*63615*2	WSHD	10/26/17	110.00	26.57	
1076*63615*1	WSHD	10/27/17	273.00	65.29	
1078*63615*1	WSHD	10/05/17	415.00	95.54	
	***		<b>7,473.00</b>	<b>2,652.51</b>	
	***		<b>7,473.00</b>	<b>2,652.51</b>	

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Issued 12/15/17

### GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services  
Batch Dates 11/30/17-11/30/17

Utmb Faculty Grp Practice  
Po Box 650859 Dep 710  
Dallas, TX 75265

Vendor #: 63615  
NPI: 1942241146

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
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30 records listed.  
**17 total invoices**

**GL Totals**

Winnie Stowel Hospital District Indigent Healthcare Services  
 Batch Dates 11/30/17-11/30/17

Wilcox Pharmacy  
 P. O. Box 1850  
 Winnie, TX 77665

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,069.17
	<b>Expenditures</b>	<b>1,069.17</b>
	<b>Reimb/Adjustments</b>	<b>0.00</b>
	<b>Grand Total</b>	<b>1,069.17</b>

8 total invoices

**GL Totals Detail**

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2783*18651*78	WSHD	11/22/17	177.06	97.18	
036-2783*18651*78	WSHD	11/22/17	81.87	39.84	
036-2783*18651*78	WSHD	11/22/17	95.69	46.26	
036-2833*18651*94	WSHD	11/21/17	28.92	12.33	
036-2833*18651*94	WSHD	11/08/17	373.81	175.02	
036-2942*18651*76	WSHD	11/18/17	43.09	21.42	
036-2942*18651*76	WSHD	11/18/17	29.75	29.75	
036-2942*18651*76	WSHD	11/18/17	387.68	306.35	
036-3364*18651*45	WSHD	11/22/17	22.85	22.85	
036-3364*18651*45	WSHD	11/22/17	54.86	54.86	
036-3364*18651*45	WSHD	11/22/17	23.62	12.76	
036-3364*18651*45	WSHD	11/22/17	24.00	24.00	
036-3364*18651*45	WSHD	11/22/17	20.00	20.00	
1007*18651*7	WSHD	11/27/17	53.12	26.35	
1007*18651*7	WSHD	11/27/17	75.83	37.04	
1040*18651*10	WSHD	11/13/17	47.32	47.32	
1040*18651*10	WSHD	11/09/17	79.63	38.80	
1040*18651*10	WSHD	11/09/17	16.07	7.33	
1052*18651*1	WSHD	11/03/17	15.21	8.58	
1060*18651*3	WSHD	11/21/17	75.60	36.94	
1060*18651*3	WSHD	11/21/17	9.77	4.19	
	***		<b>1,735.75</b>	<b>1,069.17</b>	
	***		<b>1,735.75</b>	<b>1,069.17</b>	

21 records listed.

8 total invoices



11/30/2017

Mr Edward Murrell, President  
Winnie Stowell Hospital District  
PO Box 1997  
WINNIE, TX 77665

**INVOICE #: 2297**

Invoice for Services: **Mar 1 thru Nov 30, 2017**

Name of Project: **WCH - ED Expansion**

Type of Services:

**Total Professional Services Amount for this Period**

		<u>Time</u>		<u>Rate</u>	<u>Total</u>
Project Executive	Total Amount Billed	201.75 hours	x	\$ 200.00	\$ 40,350.00
Senior Project Manager	Total Amount Billed	hours	x	\$	-
Project Manager	Total Amount Billed	hours	x	\$	-
Financial Reporting	Total Amount Billed	hours	x	\$	-
Administrative	Total Amount Billed	hours	x	\$	-
<b>Total Professional Services Amount Due This Period:</b>					<b>\$ 40,350.00</b>

**Total Reimbursable Expenses for this Period**

	<u>Amount</u>	
Travel Time	\$ 4,725.00	47.25 hours
Vehicle Mileage	\$ 1,808.30	
Travel (other)	\$ 3.70	
Parking	\$ -	
Meals	\$ 63.89	
Lodging	\$ 386.28	
Couriers/delivery/postage	\$ -	
Printing & copies	\$ -	
Plots, drawing & reproduction	\$ -	
Misc	\$ 59.99	AIA order #2064765130
<b>Total Reimbursable Expenses Amount Due this Period:</b>		<b>\$ 7,047.16</b>

**Total Invoice Amount Due This Period** **\$ 47,397.16**

Please remit payment to the address noted below. Please call if there are any questions.  
Thank you for doing business with WALKER & ASSOCIATES, INC.!

Sincerely,

Robert Walker  
President & CEO

# TimeSheet Billing: WC Hospital - ED Expansion

Data as of - Dec 19, 2017 4:19:39 PM Owner - Weinstock, Jerry



Entry Date: Mar 1, 2017 - Nov 30, 2017

Client: All Client(s)

Project: WCH - ED Expansion

Client Name	Project Name	Task Name	Billing Rate Name	User Name	Entry Date	Actual Billable Hours (Selected Dates)	Billing Rate Amount	Actual Billing (Selected Dates)	Actual Non-Billable Hours (Selected Dates)	Comments
<i>Winnie Community Hospital</i>							<b>249.00</b>	<b>\$45,075.00</b>	<b>0.00</b>	
<i>WCH - ED Expansion</i>							<b>249.00</b>	<b>\$45,075.00</b>	<b>0.00</b>	
<i>&lt; None &gt;</i>							<b>249.00</b>	<b>\$45,075.00</b>	<b>0.00</b>	
<i>Project Executive</i>							<b>201.75</b>	<b>\$40,350.00</b>	<b>0.00</b>	
<i>Walker, Robert</i>							<b>201.75</b>	<b>\$40,350.00</b>	<b>0.00</b>	
					Mar 20, 2017	1.00	\$200.00	\$200.00	0.00	Update package for meetings with HD BoD
					Mar 22, 2017	2.00	\$200.00	\$400.00	0.00	Update package for meetings on 4th, call with Hubert
					Mar 27, 2017	4.00	\$200.00	\$800.00	0.00	Arch calls, work on package for meetings in Winnie
					Mar 28, 2017	2.00	\$200.00	\$400.00	0.00	Revisions to schedule, prepared agendas
					Mar 30, 2017	2.00	\$200.00	\$400.00	0.00	Prepared org chart, updated budget, arch questions
					Apr 4, 2017	6.00	\$200.00	\$1,200.00	0.00	Meetings with HD BoD and arch interviews
					Apr 6, 2017	4.00	\$200.00	\$800.00	0.00	Prep cash flow options, emails with Hubert
					Apr 7, 2017	3.50	\$200.00	\$700.00	0.00	Prep cash flow options per request from Hubert
					Apr 17, 2017	1.00	\$200.00	\$200.00	0.00	Misc emails and calls
					May 1, 2017	1.25	\$200.00	\$250.00	0.00	Arch proposals sent to Hubert, started review, misc emails
					May 3, 2017	0.50	\$200.00	\$100.00	0.00	Misc emails
					May 5, 2017	0.25	\$200.00	\$50.00	0.00	Misc emails
					May 8, 2017	0.75	\$200.00	\$150.00	0.00	Call with Ed Murrell, misc emails
					May 9, 2017	2.00	\$200.00	\$400.00	0.00	Recvd Johnston proposal, reviewed, distributed to Ed, misc emails
					May 10, 2017	1.00	\$200.00	\$200.00	0.00	Coord information of Johnston Architects, call w/archs
					May 11, 2017	3.50	\$200.00	\$700.00	0.00	Calls w/Johnston, , misc emails, recommendation to Ed, , prepared sent arch comparison matrix
					May 16, 2017	1.00	\$200.00	\$200.00	0.00	Call with Ed, continued preparing architectural firm comparison matrix
					May 18, 2017	1.25	\$200.00	\$250.00	0.00	Worked on arch comparison
					May 23, 2017	1.50	\$200.00	\$300.00	0.00	Call w/arch firms
					May 31, 2017	2.50	\$200.00	\$500.00	0.00	Call w/Richard re board presentation, call w/Ed, forwarded board info to Hubert
					Jun 1, 2017	4.00	\$200.00	\$800.00	0.00	Purchase agrmt rights from AIA, download, review, make changes, distribute, misc emails, send package for Board mtg
					Jun 2, 2017	1.00	\$200.00	\$200.00	0.00	Arch agrmt follow up
					Jun 5, 2017	0.50	\$200.00	\$100.00	0.00	Arch agrmt follow up
					Jun 6, 2017	2.00	\$200.00	\$400.00	0.00	Met with Linbeck to review project, call w/Hubert
					Jun 7, 2017	0.25	\$200.00	\$50.00	0.00	Arch agrmt follow up
					Jun 8, 2017	1.00	\$200.00	\$200.00	0.00	Call w/Ed, misc emails and calls
					Jun 9, 2017	4.00	\$200.00	\$800.00	0.00	Final review of architectural agreement before sending to Johnston Archs.
					Jun 12, 2017	2.50	\$200.00	\$500.00	0.00	Call archs re arch firm decision, send emails, misc emails
					Jun 13, 2017	1.50	\$200.00	\$300.00	0.00	Arch agrmt revisions, coord tour with Johnston and WCH
					Jun 14, 2017	2.75	\$200.00	\$550.00	0.00	Multiple calls with architect and Ed, arch agrmt follow up, civil eng issues
					Jun 19, 2017	1.00	\$200.00	\$200.00	0.00	Disc w/architect re agreement and trips
					Jun 22, 2017	3.00	\$200.00	\$600.00	0.00	Misc emails w/Johnston, arch agrmt revs

				Jun 23, 2017	0.50	\$200.00	\$100.00	0.00	call with architect, misc emails
				Jun 26, 2017	1.25	\$200.00	\$250.00	0.00	Disc with Architect, coord of insurances with arch and owner, misc emails
				Jun 27, 2017	0.50	\$200.00	\$100.00	0.00	Distribute arch agrmt for execution
				Jul 1, 2017	0.75	\$200.00	\$150.00	0.00	arch agrmt follow up iassues
				Jul 3, 2017	0.50	\$200.00	\$100.00	0.00	Misc emails
				Jul 6, 2017	1.00	\$200.00	\$200.00	0.00	boring plan coord
				Jul 7, 2017	1.00	\$200.00	\$200.00	0.00	Follow up work with architect, soil borings selection
				Jul 9, 2017	0.50	\$200.00	\$100.00	0.00	Insurance issue, misc emails
				Jul 10, 2017	3.50	\$200.00	\$700.00	0.00	Prepare agendas, drainage issues, arch agrmt work, misc emails and calls
				Jul 11, 2017	2.50	\$200.00	\$500.00	0.00	Reviewed WCH program and plans from Johnston, windstorm insurance issue, program volumes coord w/Jeannie, coord exist plans w/arch
				Jul 12, 2017	8.00	\$200.00	\$1,600.00	0.00	Meetings with the owner, design meeting
				Jul 13, 2017	1.00	\$200.00	\$200.00	0.00	Follow up emails
				Jul 14, 2017	2.00	\$200.00	\$400.00	0.00	Discussions with arch - 2
				Jul 17, 2017	2.00	\$200.00	\$400.00	0.00	Mtg mnts prep, follow up, misc emails
				Jul 18, 2017	4.00	\$200.00	\$800.00	0.00	WCH sched revs, misc emails, mtg prep, calls w/arch
				Jul 19, 2017	3.00	\$200.00	\$600.00	0.00	Calls w/arch, topo survey issues, conf call w/Mo, misc emails, call agenda prep, utility review discs, topo survey disc
				Jul 20, 2017	2.00	\$200.00	\$400.00	0.00	Topo & survey issues, WCH conf call wengs.
				Jul 21, 2017	2.00	\$200.00	\$400.00	0.00	Call re civil issues, misc emails and calls
				Jul 24, 2017	2.00	\$200.00	\$400.00	0.00	Project mtg call, contractor selection review
				Jul 27, 2017	1.00	\$200.00	\$200.00	0.00	Misc emails and calls
				Jul 31, 2017	2.00	\$200.00	\$400.00	0.00	Misc emails and calls, survey issues, design issues, med equip plng discussion, review estimate process with Linbeck
				Aug 1, 2017	3.50	\$200.00	\$700.00	0.00	Review revd floor plans, call w/Johnston, misc emails, agenda prep for 8/3 mtg
				Aug 2, 2017	1.00	\$200.00	\$200.00	0.00	Johnston invoice review, trip prep
				Aug 3, 2017	6.00	\$200.00	\$1,200.00	0.00	Design mtgs in Winnie, County eng mtg in Anuhac
				Aug 7, 2017	2.00	\$200.00	\$400.00	0.00	Review plan revisions, misc emails and calls w/Mo, request for Mr. Javed to review design
				Aug 9, 2017	2.00	\$200.00	\$400.00	0.00	Review floor plan and site plan before sending to Ed
				Aug 10, 2017	2.50	\$200.00	\$500.00	0.00	Reviewed plan with Dan and Jeannie, survey coord, med equip plng issues
				Aug 11, 2017	2.00	\$200.00	\$400.00	0.00	Review medical equipment planning addtl service request, review parking requirements
				Aug 15, 2017	3.00	\$200.00	\$600.00	0.00	Review revisions to plans, call with Dan and Jeannie
				Aug 16, 2017	2.00	\$200.00	\$400.00	0.00	Review and refine final site plan revisions
				Aug 18, 2017	2.00	\$200.00	\$400.00	0.00	Final survey ltr of agrmt, misc emails, prep design package for Ed to review w/Mr. Javed, addtl p[lan changes from Dan and Jeannie
				Aug 19, 2017	0.50	\$200.00	\$100.00	0.00	Coord sizing of future radiographic rm for arch
				Aug 21, 2017	1.00	\$200.00	\$200.00	0.00	Misc emails and calls, DD mtg schedule coord, helistop issues, survey scope disc.
				Aug 22, 2017	1.50	\$200.00	\$300.00	0.00	Future red unit discussion with Dan, low voltage tech reqmts
				Aug 23, 2017	1.50	\$200.00	\$300.00	0.00	document notes from comments of Mr. Javed design review o Johnston.
				Aug 24, 2017	2.00	\$200.00	\$400.00	0.00	Disc w/Dan & Jeannie, re medical equipment, coord of SD pricing package
				Aug 25, 2017	1.50	\$200.00	\$300.00	0.00	Coord SD pricing package w/Linbeck
				Sep 5, 2017	1.00	\$200.00	\$200.00	0.00	Coordination with arch and eng
				Sep 7, 2017	1.50	\$200.00	\$300.00	0.00	Coord w/arch and eng, recommended plan changes
				Sep 10, 2017	0.50	\$200.00	\$100.00	0.00	Review of arch invoice, process for payment
				Sep 11, 2017	1.25	\$200.00	\$250.00	0.00	Coord of DD design meeting
				Sep 12, 2017	1.50	\$200.00	\$300.00	0.00	Coord of design mtg, misc emaails, civil eng issues
				Sep 19, 2017	6.00	\$200.00	\$1,200.00	0.00	Design mtg in Winnie, medical equip mtg, tech plng mtg
				Sep 20, 2017	2.50	\$200.00	\$500.00	0.00	Call w/contractor re estimate, rad rm reqmts review w/Dan, coord tdh issues, DD dwg review w/Ed
				Sep 21, 2017	1.50	\$200.00	\$300.00	0.00	FEMA, helistop issues, review Linbecks estimate with arch
				Sep 22, 2017	1.25	\$200.00	\$250.00	0.00	Conf call w/Linbeck to review estimates, review SF takeoffs
				Sep 25, 2017	2.00	\$200.00	\$400.00	0.00	Review and update cash flow projections



				Sep 27, 2017	4.00	\$200.00	\$800.00	0.00	Meet with Johnston and Linbeck to review pricing
				Sep 28, 2017	1.50	\$200.00	\$300.00	0.00	Tech conf call, call w/Ron Leger, coord of medical equipment list, misc emails
				Sep 29, 2017	1.50	\$200.00	\$300.00	0.00	Follow up with Dan and Jeannie, addtl tech services review, misc emails
				Oct 3, 2017	0.50	\$200.00	\$100.00	0.00	Email follow up
				Oct 5, 2017	0.50	\$200.00	\$100.00	0.00	Email follow up
				Oct 10, 2017	2.00	\$200.00	\$400.00	0.00	Project team call - project issues, budget, engineering, survey, construction estimating calls
				Oct 11, 2017	0.75	\$200.00	\$150.00	0.00	Follow up from call, with building committee, call w/arch re cost reductions. med equip call
				Oct 15, 2017	3.00	\$200.00	\$600.00	0.00	Contractor evaluation research for obtaining estimates, furniture list prep
				Oct 16, 2017	3.00	\$200.00	\$600.00	0.00	Contractor evaluation research for obtaining estimates, tech list coord
				Oct 17, 2017	4.00	\$200.00	\$800.00	0.00	Contact contractors to request estimates, DD design phase approval processing
				Oct 18, 2017	2.00	\$200.00	\$400.00	0.00	Utility tie in discussions, spoke with multiple contractors for providing estimates and answered questions
				Oct 19, 2017	1.50	\$200.00	\$300.00	0.00	Follow up on medical equipment planning
				Oct 20, 2017	4.00	\$200.00	\$800.00	0.00	Update to building committee, prepared projected cash flow
				Oct 23, 2017	1.00	\$200.00	\$200.00	0.00	Working with general contractors to answer questions and assemble estimate for construction
				Oct 25, 2017	1.00	\$200.00	\$200.00	0.00	Working with general contractors to answer questions and assemble estimate for construction
				Oct 26, 2017	3.00	\$200.00	\$600.00	0.00	Working with general contractors to answer questions and assemble estimate for construction
				Oct 30, 2017	3.00	\$200.00	\$600.00	0.00	Working with general contractors to answer questions and assemble estimate for construction
				Oct 31, 2017	1.50	\$200.00	\$300.00	0.00	Prepared construction cost comparison. Working with general contractors to answer questions and assemble estimate for construction
				Nov 2, 2017	0.50	\$200.00	\$100.00	0.00	Misc emails
				Nov 10, 2017	3.00	\$200.00	\$600.00	0.00	Updated construction cost comparison matrix
				Nov 16, 2017	2.00	\$200.00	\$400.00	0.00	Contractors notified regarding project being placed on hold
			<i>Project Executive-Travel</i>		<b>47.25</b>		<b>\$4,725.00</b>	<b>0.00</b>	
			<i>Walker, Robert</i>		<b>47.25</b>		<b>\$4,725.00</b>	<b>0.00</b>	
				Apr 4, 2017	9.25	\$100.00	\$925.00	0.00	Austin to Winnie - 240 miles, Winnie to Dallas - 300 miles
				Jul 11, 2017	5.00	\$100.00	\$500.00	0.00	trip from Dallas to Winnie - 298 miles
				Jul 12, 2017	5.00	\$100.00	\$500.00	0.00	trip from Winnie to Dallas - 298 miles
				Aug 2, 2017	5.00	\$100.00	\$500.00	0.00	Trip from Dallas to Winnie - 289 miles
				Aug 3, 2017	5.00	\$100.00	\$500.00	0.00	Trip from Winnie to Dallas - 289 miles
				Sep 18, 2017	5.00	\$100.00	\$500.00	0.00	drive from Dallas to Winnie - 289 miles
				Sep 19, 2017	5.00	\$100.00	\$500.00	0.00	Drive to Dallas from Winnie - 289 miles
				Sep 27, 2017	8.00	\$100.00	\$800.00	0.00	TR to Houston to review estimate with Linbeck and Johnston
<b>Full Summary</b>					<b>249.00</b>		<b>\$45,075.00</b>	<b>0.00</b>	

# Expense Billing: WC Hospital - ED Expansion

Data as of - Dec 20, 2017 7:49:35 AM Owner - Weinstock, Jerry



Incurred Date: Mar 1, 2017 - Nov 30, 2017      Approval Status: Not Submitted, Waiting for Approval, Approved, Rejected      User: All User(s)

Expense Code: Airfare      Project: WCH - ED Expansion      Client: All Client(s)

Car Rental  
Entertainment  
Hotel  
Local Transportation  
more...

Expense Code	Client Name	Project Name	User Name	Task Name	Expense Entry Description	Incurred Date	Number of Units	Expense Rate	Net Amount	Billable Amount (BC)	Non-Billable Amount (BC)
<b>Meals</b>											
	Winnie Community Hospital								\$20.92	\$20.92	\$0.00
		WCH - ED Expansion							\$20.92	\$20.92	\$0.00
			Walker, Robert						\$20.92	\$20.92	\$0.00
					meal	Apr 4, 2017			\$20.92	\$20.92	\$0.00
<b>Mileage 2017</b>											
	Winnie Community Hospital								\$1,808.30	\$1,808.30	\$0.00
		WCH - ED Expansion							\$1,808.30	\$1,808.30	\$0.00
			Walker, Robert						\$1,808.30	\$1,808.30	\$0.00
					mileage	Apr 4, 2017	540.00	\$0.54	\$288.90	\$288.90	\$0.00
					mileage Dal to Win	Jul 11, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					mileage Dal to Win	Aug 2, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					mileage Dal to Win	Sep 18, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					mileage Win to Dal	Jul 12, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					mileage Win to Dal	Aug 3, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					mileage Win to Dal	Sep 19, 2017	298.00	\$0.54	\$159.43	\$159.43	\$0.00
					RT mileage Aust-Win, Win - Dal	Apr 4, 2017	540.00	\$0.54	\$288.90	\$288.90	\$0.00
					RT mileage Dal to Houston	Sep 27, 2017	512.00	\$0.54	\$273.92	\$273.92	\$0.00
<b>Full Summary</b>									\$1,829.22	\$1,829.22	\$0.00

Arbys #8356

4/4/2017 6:40:11 PM

**Eat In**  
**998**

Order Number:

Register:2

Tran Seq No: 715998

Cashier:Roberto Z.

1	Fire Roasted Philly	5.99
1	Greek Gyro	4.99
1	Greek Gyro	4.99
1	2/\$6 Gyro	(3.98)
1	Md Vani	2.69

Sub. Total:	\$14.68
Tax:	\$1.21
Total:	\$15.89
Discount Total:	(\$3.98)

Visa:	<b>WCH</b>	\$15.89
Change	<b>DINNER</b>	\$0.00

Visa

Card Num : XXXXXXXXXXXX6274

Terminal : JD43055842001

Approval : 814004

Sequence : 045111

I agree to pay the above Total Amount according to Card Issuer Agreement.

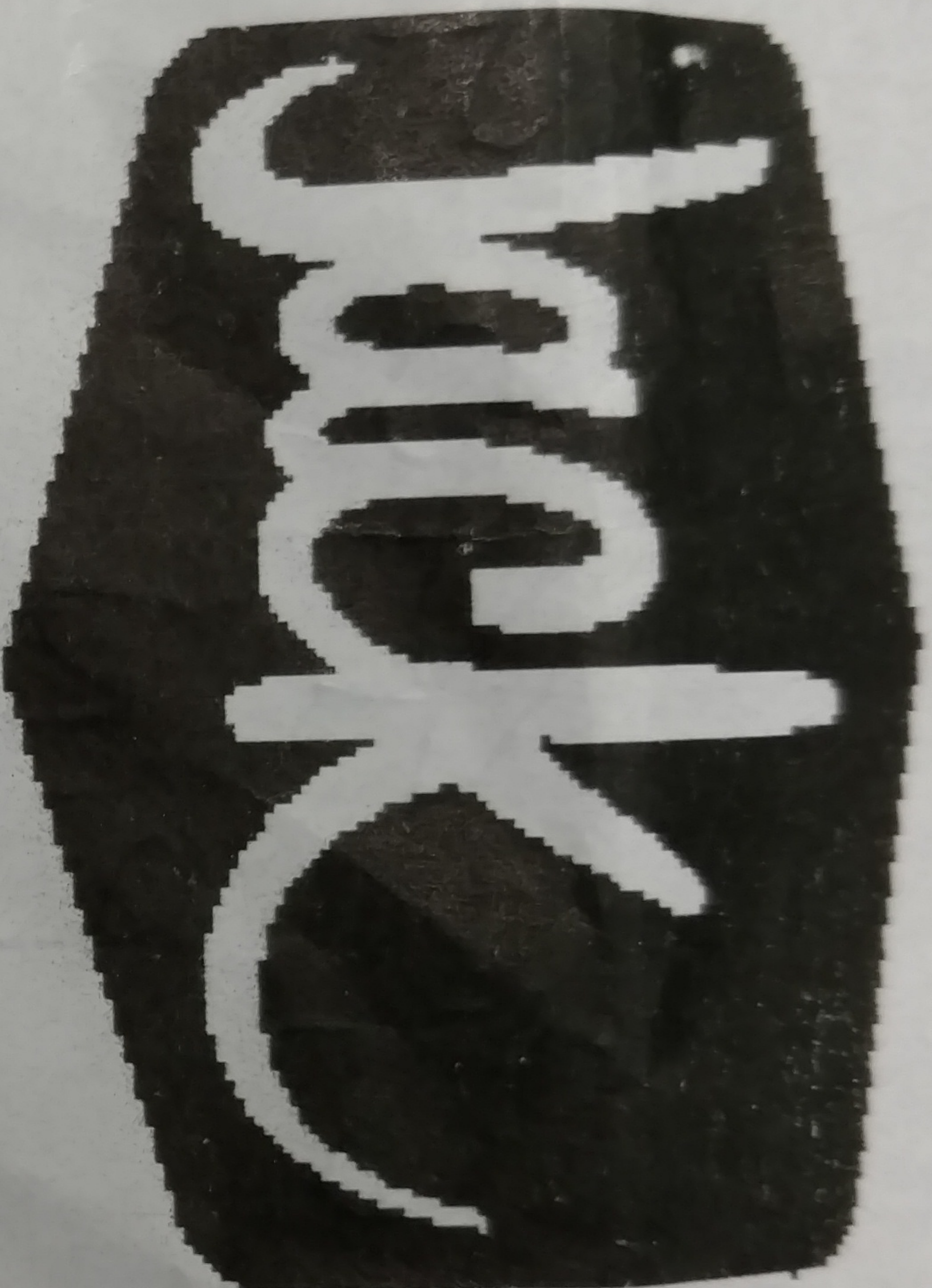
Signature: \_\_\_\_\_

SEE BACK

SEE BACK

SEE BACK

SEE BACK



in the box

DRIVE THRU # 147

Tel(281) 375-5224  
4/4/2017

JIB# 3654  
7:06:26 AM  
Emp Yovankah

- 1 Sausage Croissant
- 1 Large Coffee

2.99  
1.79

\*\*\*\*\*



SubTotal  
Tax

4.78  
0.39

5.17

Total

10.20

5.03

~~WNCASH~~  
WINNASH

Change

~~CASH~~

Thank you for your visit

149047

## Jerry Weinstock

---

**From:** Bob Walker  
**Sent:** Wednesday, May 24, 2017 1:29 PM  
**To:** Jerry Weinstock  
**Subject:** FW: AIA Contract Documents - Account User Information

---

**From:** AIA Contract Documents [mailto:auto-confirm@aia.org]  
**Sent:** Thursday, April 20, 2017 2:12 PM  
**To:** Bob Walker <bwalker@walkerus.com>  
**Subject:** AIA Contract Documents - Account User Information

### ACD5™ Account User Information



Dear **Robert Walker**,

Welcome to ACD5™, the new AIA Contract Documents online service! **Robert Walker** designated you as the user for **B101™–2007 Owner/Architect Agreement**.

#### Order Details

Product Name : **B101™–2007 Owner/Architect Agreement**  
Order Number : **2064765130**  
Service Start Date : **04/20/2017**  
Service End Date : **04/20/2018**

#### ACD5 Account User Information

Use your AIA Username and password to log into the account and start using [ACD5](#).



*For Unlimited customers, the first time you log into your ACD5 account, you will be asked to register a trusted device that you will be accessing your ACD5 account from. This is a quick, one-time set up. Click [here](#) to learn more about 2-factor secure authorization.*

Sincerely,  
AIA Contract Documents

#### AIA Contract Documents Resources

[Home Page](#)

[Education Portal](#)

[Need Help?](#)



POST	TRANS	Ref #	Transaction Description	Amount
04/24	04/20	4180	AIA PRODUCTS / DUES 800-242-3837 DC	\$59.99

From: **Expedia.com** <[Expedia@expediamail.com](mailto:Expedia@expediamail.com)>  
Date: Mon, Jul 10, 2017 at 7:53 AM  
Subject: Expedia travel confirmation - Jul 11 - (Itinerary # 7279149622700)  
To: [acampbell@fifthpartners.com](mailto:acampbell@fifthpartners.com)



Thanks!

Your reservation is confirmed. No need to call to reconfirm.

La Quinta Inn & Suites Winnie, Winnie

Jul 11, 2017 - Jul 12, 2017

---

See live updates to your itinerary, anywhere and anytime.

[See your itinerary](#)

Or get the free app:



---

## Hotel overview



### La Quinta Inn & Suites Winnie

[226 Spur 5, Winnie, TX, 77665 United States of America](#)

[View hotel](#)   [Map and directions](#)

### Reservation dates

Jul 11, 2017 - Jul 12, 2017

### Itinerary #

7279149622700

---

## Check-in and Check-out

### Check-in time

3 PM

### Check-out time

noon

### Check-in policies

Check-in time starts at 3 PM

Your room/unit will be guaranteed for late arrival.

---

## Room

### Guests

Reserved for Abram Campbell

2 adults

### Room

Room, 2 Double Beds

### Included amenities

Free Breakfast, Free Parking, Free Wireless Internet

### Room requests

2 Double Beds  
Non-smoking room

---

## Price summary

### Price breakdown

Room price \$88.69

1 night: \$79.01

Taxes & fees : \$9.68

### Total \$88.69

Collected by Expedia

Unless specified otherwise, rates are quoted in US dollars.

---

## Additional hotel fees

The below fees and deposits only apply if they are not included in your selected room rate.

The following fees and deposits are charged by the property at time of service, check-in, or check-out.

- Pet deposit: USD 0.00 per stay

The above list may not be comprehensive. Fees and deposits may not include tax and are subject to change.

---

## Rules and restrictions

### Cancellations and changes

We understand that sometimes plans fall through. We do not charge a cancel or change fee. When the property charges such fees in accordance with its own policies, the cost will be passed on to you. La Quinta Inn & Suites Winnie charges the following cancellation and change fees.

Cancellations or changes made after 5:00PM (Central Daylight Time (US & Canada)) on Jul 11, 2017 or no-shows are subject to a property fee equal to 100% of the total amount paid for the reservation.



## **Pricing and Payment**

### **Hotel fees**

The price above DOES NOT include any applicable hotel service fees, charges for optional incidentals (such as minibar snacks or telephone calls), or regulatory surcharges. The hotel will assess these fees, charges, and surcharges upon check-out.

### **Pricing**

Your credit card is charged the total cost at time of purchase. Prices and room/unit availability are not guaranteed until full payment is received.

Some properties request that we wait to submit guest names until 7 days prior to check in. In such a case, your room/unit is reserved, but your name is not yet on file with the property.

### **Guest Charges and Room Capacity**

Base rate is for 2 guests.

Total maximum number of guests per room/unit is 4.

Maximum number of adults per room/unit is 4.

Maximum number of children per room/unit is 3.

Maximum number of infants per room/unit is 3.

This property considers guests aged 17 and under, at time of travel, to be children.

Availability of accommodation in the same property for extra guests is not guaranteed.

---

## More help

### **About the Hotel**

For special requests or questions about the property, please call the hotel directly at Tel: 1 (409) 296-8800, Fax: 1 (409) 296-8801

### **About your Reservation**

Visit our [Customer Support](#) page.

Call us at 1-877-261-3523.

For faster service, mention **itinerary #7279149622700**

---

## Complete your trip

Paid in Full

*M&S CONSULTING CO.*

**WCH TOTAL - \$ 3.76**

07/10/17 07:09 PM	3848617318	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/10/17 07:15 PM	3818617862	TEX.03177585	DNT	Northwest Hwy	\$0.77	
07/11/17 07:53 AM	3851278682	TEX.03177585	DNT	Northwest Hwy	\$0.77	
07/11/17 08:04 AM	3851277464	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/11/17 04:24 PM	38493735078	TEX.03177585	DNT	Keller Springs Rd	\$0.54	P
07/11/17 04:36 PM	3849376311	TEX.03177585	DNT	Plaza 1 - Wyldflr L7	\$1.56	
07/12/17 07:47 PM	3850311388	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/12/17 07:51 PM	3850311602	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/12/17 07:57 PM	3850313516	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/13/17 07:32 AM	3850975838	TEX.03177585	DNT	Northwest Hwy	\$0.77	
07/13/17 07:40 AM	3850977594	TEX.03177585	DNT	Northwest Hwy	\$0.54	
07/13/17 09:00 PM	3851305592	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/14/17 08:02 AM	3851568830	TEX.03177585	DNT	Northwest Hwy	\$0.77	
07/14/17 08:11 AM	3851570899	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/14/17 02:35 PM	3852779199	TEX.03177585	DNT	Keller Springs Rd	\$0.54	
07/14/17 02:34 PM	3852782513	TEX.03177585	DNT	Plaza 1 - Wyldflr L7	\$1.56	
07/14/17 05:25 PM	3851817249	TEX.03177585	SH.45	Lake Creek Plaza L11	\$1.07	
07/16/17 04:12 PM	3853857135	TEX.03177585	SH.45	Lake Creek Plaza L13	\$1.07	
07/17/17 07:47 AM	3855066759	TEX.03177585	DNT	Northwest Hwy	\$0.77	P



in the box™

EAT IN # 431

Tel(409) 296-3118

JIB# 3921

7/12/2017

2:56:27 PM

Emp Maria

1 Srd Gr1 Chk Club	5.49
1 Srd Jack #3	7.38
Medium French Fry	
Medium Drink	

\*\*\*\*\*

BUY ONE GET ONE FREE JUMBO JACK OR SUPREME CROISSANT

When you take our survey.

- 1) Within 3 days...  
visit [www.JackListens.com](http://www.JackListens.com)  
or call 1-858-876-0461.

2) Enter...  
14 digit code: 919 425 903 513 92

Date of Service: 7/12/2017

Time of Service: 14:56

- 3) Write the provided validation code here:

Coupon Code: 525

- 4) Bring this receipt to a Jack in the Box restaurant to redeem your offer.

One coupon per guest visit. This offer is not valid with any other offer or discount. Jack in the Box employees and their families are not eligible. Not transferable. This offer is valid for 7 days after completion of the survey.

\*\*Esta encuesta esta disponible en espanol\*\*

\*\*\*\*\*

SubTotal	12.87
Tax	1.05
Total	13.92
Visa	13.92

Acct: xxxxxxxxxxxx6274  
Authorization 412165

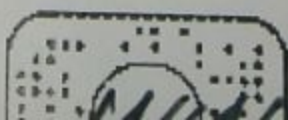
LUNCH

Thank you for your visit

455231

ABRAM C

BOB W



MAMA JUANITA'S MEXICAN RESTAURANT  
(936)856-9012  
1118 League Line Rd  
Conroe, TX

Date: 7/11/2017 Time: 8:03:53 PM

\*\*\*\*\*  
PLEASE KEEP THIS COPY!  
\*\*\*\*\*

Date: 7/11/2017 Time: 8:03:53 PM

Status: Approved  
Card Type: Visa

Card Number: XXXXXXXXXXXXX6274

Server Name: Ivan

Check Number: 713646

Tab Number: 2

Profit Center: Table Sales

Persons: 1

Card Owner: WALKER/ROBERT P

DINNER WINME

AMOUNT 24.25

ABRAM C TIP

BOB W TOTAL

29.05

Approval: 021130

I AGREE TO COMPLY WITH  
THE CARDHOLDER AGREEMENT

PEMB TO WALKER

Customer Signature

\*\*\*\*\*  
CUSTOMER USE ONLY

07/12/17 8:33 AM

NiteVision 2016 R1 SP1



La Quinta Inn & Suites Winnie  
226 Spur #5  
Winnie, TX 77665  
409-296-8800

WALKER, SHERYL  
129 SQUIRES DR  
LAKEWAY, TX 78734-4658  
Company: L

Folio#: 087278416  
Room: 309  
Arrival: 07/11/17  
Departure: 07/12/17  
Returns Club No : xxxxx6531  
Voucher/Ship/PO:

Trans #	Date	Description	Charges	Payments	Balance
304661	7/11/2017	Rm: 309 User Override	\$89.27	\$0.00	\$89.27
304679	7/12/2017	CC PMT - VISA ... 6274	\$0.00	\$89.27	\$0.00
Balance:					\$0.00

WINNIE

REIMB TO WALKER  
SD WITH TRIP #1

Signature:

Signature box

# La Quinta Inn & Suites Houston East At Normandy

930 Normandy Street, Houston, Texas 77015

---

## Your Reservation Receipt

Confirmation Code	<b>W7P7A6</b>
Guest Name	Abram Campbell
Check In	Wednesday, August 2, 2017 @ 3:00 PM
Check Out	Thursday, August 3, 2017 @ 11:00 AM
Room Type	King Bed - Nonsmoking Room - Free Breakfast, Free Internet, Fridge, Microwave
Length of Stay	1 Night

**Cancellation Policy**  
Immediately upon confirmation, this booking is completely non-refundable. Changes without penalty are also not guaranteed.

---

## Payment and Rate Information

Average Room Cost Per Night	\$84.00 USD
Total Room Cost for 1 Night	\$84.00 USD

## Payment Information

Taxes & Fees	\$20.16 USD
Total Charges	\$104.16 USD

## Important Information

Minimum age for check in is 21 years old with a valid ID and credit card. No-show is subjected to full charge penalty.

---

Payment Channel	Visa
-----------------	------

Status	Confirmed - paid in full on 25 Jul 2017
--------	---

The above charges will appear on your card from RTI\*La Quinta Inn & Suites Houston East At Normandy.

# La Quinta Inn & Suites Houston East At Normandy

930 Normandy Street, Houston, Texas 77015

---

## Your Reservation Receipt

Confirmation Code	<b>C7J3R2</b>
Guest Name	Bob Walker
Check In	Wednesday, August 2, 2017 @ 3:00 PM
Check Out	Thursday, August 3, 2017 @ 11:00 AM
Room Type	King Bed - Nonsmoking Room - Free Breakfast, Free Internet, Fridge, Microwave
Length of Stay	1 Night

**Cancellation Policy**  
Immediately upon confirmation, this booking is completely non-refundable. Changes without penalty are also not guaranteed.

---

## Payment and Rate Information

Average Room Cost Per Night	\$84.00 USD
Total Room Cost for 1 Night	\$84.00 USD

## Payment Information

Taxes & Fees	\$20.16 USD
Total Charges	\$104.16 USD

## Important Information

Minimum age for check in is 21 years old with a valid ID and credit card. No-show is subjected to full charge penalty.

---

Payment Channel	Visa
-----------------	------

Status	Confirmed - paid in full on 25 Jul 2017
--------	---

The above charges will appear on your card from RTI\*La Quinta Inn & Suites Houston East At Normandy.



**Johnston, LLC**  
**2603 Augusta, Suite 1500**  
**Houston, TX 77057**

**JOHNSTON**

December 5, 2017  
 Project No: 17-00028-00  
 Invoice No: 0003808

Mr. Robert Walker, AIA  
 Winnie Stowell Hospital District  
 P.O. Box 1975  
 Winnie, TX 77665

Project 17-00028-00 Winnie- Hospital ED Expansion

**Basic Service Contract Lump Sum Amount \$95,000.00**

**Professional Services from November 1, 2017 to November 30, 2017**

Billing Phase	Fee	Percent Complete	Previous Fee Billed	Current Fee Billing
Pre-Design	2,125.00	100.00	2,125.00	0.00
Schematic Design	19,337.50	100.00	19,337.50	0.00
Design Development	10,412.50	100.00	10,412.50	0.00
Construction Documents	34,000.00	0.00	0.00	0.00
Bid-Permit	2,125.00	0.00	0.00	0.00
Construction Administration	17,000.00	0.00	0.00	0.00
Special Service-Civil Eng.	10,000.00	15.00	1,500.00	0.00
<b>Total Fee</b>	<b>95,000.00</b>		<b>33,375.00</b>	<b>0.00</b>
<b>Total Contract Amount</b>				<b>0.00</b>

**Reimbursable Expenses**

Reproduction/Printing			438.80	
<b>Total Reimbursables</b>			<b>438.80</b>	<b>438.80</b>

**Billing Limits**

	Current	Prior	To-Date
Expense	438.80	883.29	1,322.09
Limit			6,000.00
Remaining			4,677.91
<b>Total this Invoice</b>			<b>\$438.80</b>

Contract Amount \$95,000.00

Billed to-Date

Remaining Fee



# Billing Backup

Wednesday, December 6, 2017

Johnston, LLC

Invoice 0003808 Dated 12/5/2017

11:49:22 AM

---

Project	17-00028-00	Winnie- Hospital ED Expansion
---------	-------------	-------------------------------

## Reimbursable Expenses

### Reproduction/Printing

JE 9302017	9/30/2017	In House Reproduction- September 2017 / Large Format	96.39	
JE 9302017	9/30/2017	In House Reproduction- September 2017 / Small Format	168.79	
JE 0312017	10/31/2017	In House Reproduction-October 2017 / Small Format	24.15	
JE 0312017	10/31/2017	In House Reproduction-October 2017 / Large Format	149.47	
<b>Total Reimbursables</b>			<b>438.80</b>	<b>438.80</b>
			<b>Total This Project</b>	<b>\$438.80</b>
			<b>Total this Report</b>	<b>\$438.80</b>



JOHNSTON

**September 2017 (Reproduction/Printing)**

<b>CreateDate</b>	<b>Project</b>	<b>Media</b>	<b>Copies</b>	<b>Originals</b>	<b>StdWidth</b>	<b>StdHeight</b>	<b>Color</b>	<b>StdSqft</b>	<b>Charge</b>
9/1/2017	17-00028-00	Small Format	1	1	11	17	No	1.3	0.55
9/6/2017	17-00028-00	Small Format	1	2	8.5	11	No	1.3	0.50
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/6/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
9/12/2017	17-00028-00	Small Format	1	6	8.5	11	Yes	3.9	2.10
9/12/2017	17-00028-00	Small Format	1	5	8.5	11	Yes	3.25	1.75
9/13/2017	17-00028-00	Small Format	1	2	8.5	11	No	1.3	0.50
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9/18/2017	17-00028-00	Small Format	1	1	8.5	11	No	0.65	0.25
9/18/2017	17-00028-00	Small Format	1	1	8.5	11	No	0.65	0.25
9/18/2017	17-00028-00	Small Format	1	1	8.5	11	Yes	0.65	0.35
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9/18/2017	17-00028-00	Small Format	1	1	11	17	Yes	1.3	0.75
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9/20/2017	17-00028-00	Small Format	1	2	8.5	11	No	1.3	0.50
9/20/2017	17-00028-00	Small Format	1	5	8.5	11	No	3.25	1.25
9/20/2017	17-00028-00	Small Format	1	5	8.5	11	No	3.25	1.25

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9/22/2017	17-00028-00	Small Format	1	1	11	17 No	1.3	0.55
9/22/2017	17-00028-00	Small Format	1	14	8.5	11 No	9.09	3.50
9/22/2017	17-00028-00	Small Format	1	1	8.5	11 No	0.65	0.25
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9/25/2017	17-00028-00	Small Format	1	1	8.5	11 No	0.65	0.25
9/25/2017	17-00028-00	Small Format	1	2	8.5	11 No	1.3	0.50
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9/25/2017	17-00028-00	Small Format	1	2	8.5	11 No	1.3	0.50
9/25/2017	17-00028-00	Small Format	1	5	8.5	11 No	3.25	1.25
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9/26/2017	17-00028-00	Small Format	1	1	8.5	11 No	0.65	0.25
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9/28/2017	17-00028-00	Small Format	1	7	8.5	11 No	4.55	1.75
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9/28/2017	17-00028-00	Small Format	1	3	11	17 No	3.9	1.65
9/28/2017	17-00028-00	Small Format	1	1	11	17 No	1.3	0.55
9/28/2017	17-00028-00	Small Format	1	1	8.5	11 No	0.65	0.25
9/28/2017	17-00028-00	Small Format	1	3	8.5	11 No	1.95	0.75
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**Small Format**

160.75

9/22/2017	17-00028-00	Large Format	1	1	18	24 No	3	2.70
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9/27/2017	17-00028-00	Large Format	1	1	24	36 No	6	5.40
9/27/2017	17-00028-00	Large Format	1	1	24	36 No	6	5.40
9/27/2017	17-00028-00	Large Format	1	1	24	36 No	6	5.40
9/27/2017	17-00028-00	Large Format	1	2	24	36 No	12	10.80
9/27/2017	17-00028-00	Large Format	1	2	24	36 No	12	10.80
9/27/2017	17-00028-00	Large Format	1	3	24	36 No	18	16.20
9/27/2017	17-00028-00	Large Format	1	2	24	36 No	12	10.80
9/27/2017	17-00028-00	Large Format	1	3	24	36 No	18	16.20

**Large Format**

91.80

Total \$ 252.55  
0.05 12.63  
**Total amount \$ 265.18**



JOHNSTON

October 2017 (Reproduction/Printing)

CreateDate	Project	Media	Copies	Originals	StdWidth	StdHeight	Color	StdSqft	Charge
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10/4/2017	17-00028-00	Small Format	1	8	8.5	11	No	5.19	2.00
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<b>Small Format</b>									<b>23.00</b>
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10/23/2017	17-00028-00	Large Format	1	1	24	36	No	6	5.40
10/23/2017	17-00028-00	Large Format	1	1	24	36	No	6	5.40
<b>Large Format</b>									<b>142.35</b>
Total								165.35	
								0.05	8.27
<b>Total amount</b>								<b>\$ 173.62</b>	

# Exhibit “E-2”

**Budget Amendment 3-December 20, 2017  
NH Funds: 4/6 Months of QIPP 1**

		Year to Date 12/20/2017	Revised Budget- Sept. 20, 2017	\$ Under/Over Budget	% Accrued ↑↓	% of Budget	Budget Amendments No. 3	Revised Budget Post Amendment 3	% Increase/Decrease	% of Budget
<b>Beginning of Year Governmental Fund Balance</b>										
<b>Income</b>										
	400 Sales Tax Revenue	\$412,401.24	\$500,000.00	(\$87,598.76)	82.5%	2.5%		\$500,000.00	0.0%	8.66%
	405 Investment Income	\$10,487.47	\$10,000.00	\$487.47	104.9%	0.1%		\$10,000.00	0.0%	0.17%
	409 Tobacco Settlement	\$11,538.30	\$11,500.00	\$38.30	100.3%	0.1%		\$11,500.00	0.0%	0.20%
	410 Other Revenue	\$450.00	\$171,000.00	(\$170,550.00)	450.0%	0.9%	(\$85,500.00)	\$85,500.00	-50.0%	1.48%
	415 Nursing Home-QIPP Programs	\$4,238,549.04	\$5,078,021.00	(\$839,471.96)	83.5%	25.5%		\$5,078,021.00	0.0%	88.00%
	<b>Total Income</b>	<b>\$4,673,426.05</b>	<b>\$5,770,521.00</b>	<b>(\$1,097,094.95)</b>	<b>81.0%</b>	<b>-</b>	<b>(\$85,500.00)</b>	<b>\$5,685,021.00</b>	<b>-1.5%</b>	<b>-</b>
<b>Total Revenue Plus Beginning Fund Balance</b>										
<b>Expense</b>										
	500 Admin-Administrator Salary	\$50,000.00	\$48,000.00	(\$2,000.00)	104.2%	0.2%	\$4,000.00	\$52,000.00	8.3%	0.79%
	501 Admin-Security	\$1,000.00	\$1,200.00	\$200.00	83.3%	0.0%		\$1,200.00	0.0%	0.02%
	504 Admin-Administrator's Payroll Taxes	\$4,118.54	\$4,000.00	(\$118.54)	103.0%	0.0%	\$500.00	\$4,500.00	12.5%	0.07%
	505 Admin-Board Bonds	\$250.00	\$100.00	(\$150.00)	250.0%	0.0%	\$100.00	\$200.00	100.0%	0.00%
	515 Admin-District Bank Service Charges	\$240.00	\$360.00	\$120.00	66.7%	0.0%		\$360.00	0.0%	0.01%
	521 Professional Fees -District Acctg	\$26,250.00	\$30,000.00	\$3,750.00	87.5%	0.2%		\$30,000.00	0.0%	0.45%
	522 Professional Fees - Audit	\$69,682.80	\$95,000.00	\$25,317.20	73.4%	0.5%		\$95,000.00	0.0%	1.44%
	523 Professional Fees - District Legal	\$34,270.65	\$110,000.00	\$75,729.35	31.2%	0.6%	(\$70,000.00)	\$40,000.00	-63.6%	0.61%
	550 Admin-D&O / Liability Insurance	\$13,790.15	\$15,000.00	\$1,209.85	91.9%	0.1%		\$15,000.00	0.0%	0.23%
	560 Admin-Cont Ed, Travel & Seminar	\$4,598.04	\$10,000.00	\$5,401.96	46.0%	0.1%	(\$5,000.00)	\$5,000.00	-50.0%	0.08%
	561 Admin-Cont Ed-Med Personnel	\$600.56	\$20,000.00	\$19,399.44	3.0%	0.1%		\$20,000.00	0.0%	0.30%
	562 Admin-Travel & Mileage Reimbursed	\$588.54	\$1,000.00	\$411.46	58.9%	0.0%		\$1,000.00	0.0%	0.02%
	569 Admin-Meals	\$1,692.37	\$2,500.00	\$807.63	67.7%	0.0%		\$2,500.00	0.0%	0.04%
	570 Admin-District/County Promotion	\$75.68	\$500.00	\$424.32	15.1%	0.0%		\$500.00	0.0%	0.01%
	571 Admin-Office Supplies/Postage	\$2,020.70	\$3,600.00	\$1,579.30	56.1%	0.0%		\$3,600.00	0.0%	0.05%
	572 Admin-Web-Site	\$649.03	\$1,500.00	\$850.97	43.3%	0.0%		\$1,500.00	0.0%	0.02%
	573 Admin-Copier Lease/Contract	\$1,936.89	\$1,500.00	(\$436.89)	129.1%	0.0%	\$500.00	\$2,000.00	33.3%	0.03%
	575 Admin-Cell Phone Reimbursement	\$1,875.00	\$1,800.00	(\$75.00)	104.2%	0.0%		\$1,800.00	0.0%	0.03%
	576 Admin-Telephone/Internet	\$2,112.46	\$2,000.00	(\$112.46)	105.6%	0.0%		\$2,000.00	0.0%	0.03%
	590 Admin-Election Cost	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	591 Admin- Notices & Fees	\$60.49	\$100.00	\$39.51	60.5%	0.0%		\$100.00	0.0%	0.00%
	600 IC-East Chambers ISD Partnership	\$165,000.00	\$180,000.00	\$15,000.00	91.7%	0.9%		\$180,000.00	0.0%	2.72%
	601 IC-Pmt to Hosp-Equip	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	602 IC-WCH 1115 Waiver UC/IGT Prog	\$495,526.98	\$496,000.00	\$473.02	99.9%	2.5%		\$496,000.00	0.0%	7.50%
	603A IC-Pharmaceutical Costs	\$76,262.78	\$73,000.00	(\$3,262.78)	104.5%	0.4%	\$6,000.00	\$79,000.00	8.2%	1.20%
	604 IC-Non Hosp. Costs-Other	\$8,760.09	\$10,000.00	\$1,239.91	87.6%	0.1%		\$10,000.00	0.0%	0.15%
	604 IC-Non Hosp. Costs-UTMB	\$30,734.84	\$10,000.00	(\$20,734.84)	329.6%	0.1%	\$30,000.00	\$40,000.00	10000.0%	0.61%
	605 IC-Office Supplies/Postage	\$1,216.99	\$1,100.00	(\$116.99)	110.6%	0.0%	\$200.00	\$1,300.00	18.2%	0.02%
	606 IC-Pmt to Hosp.-ER	\$82,094.25	\$200,000.00	\$117,905.75	41.0%	1.0%	(\$115,000.00)	\$85,000.00	-57.5%	1.29%
	607 IC-Non Hosp. Costs-WSEMS	\$40,527.00	\$1,350.00	(\$39,177.00)	1327.0%	0.0%	\$39,300.00	\$40,650.00	1350.0%	0.61%
	611 IC-Indigent Care Director Salary	\$25,807.50	\$25,000.00	(\$807.50)	103.2%	0.1%	\$2,000.00	\$27,000.00	8.0%	0.41%
	612 IC-Payroll Taxes for Director	\$1,997.38	\$2,400.00	\$402.62	83.2%	0.0%		\$2,400.00	0.0%	0.04%
	615 IC-Software	\$12,708.00	\$12,000.00	(\$708.00)	105.9%	0.1%	\$708.00	\$12,708.00	5.9%	0.19%
	616 IC-Travel	\$549.87	\$500.00	(\$49.87)	110.0%	0.0%	\$50.00	\$550.00	10.0%	0.01%
	630 NH Program - Mgt Fees	\$925,377.42	\$947,150.00	\$21,772.58	97.7%	4.8%		\$947,150.00	0.0%	14.33%
	631 NH Program IGT	\$2,387,794.20	\$3,183,725.33	\$795,931.13	75.0%	16.1%		\$3,183,725.33	0.0%	48.16%
	633 NH Program-Acctg Fees	\$0.00	\$25,000.00	\$25,000.00	0.0%	0.1%		\$25,000.00	0.0%	0.38%
	*634 NH Program-Legal Fees	\$194,200.36	\$100,000.00	(\$94,200.36)	194.2%	0.5%	\$150,000.00	\$250,000.00	150.0%	3.78%
	635 NH Program-LTC Fees	\$324,900.00	\$433,200.00	\$108,300.00	75.0%	2.2%		\$433,200.00	0.0%	6.55%
	636 NH Program - Bonds	\$450.00	\$450.00	\$0.00	100.0%	0.0%		\$450.00	0.0%	0.01%
	637 NH Program-Interest Expense	\$485,445.28	\$535,000.00	\$49,554.72	90.7%	2.7%		\$535,000.00	0.0%	8.09%
	638 NH Program Bank Fees & Misc	\$2,600.00	\$2,600.00	\$0.00	2600.0%	0.0%		\$2,600.00	0.0%	0.04%
	639 Nursing Home Appraisal	\$23,593.62	\$23,594.00	\$0.38	100.0%	0.1%		\$23,594.00	0.0%	0.36%
	653 Service Fee	\$0.00	\$100.00	\$100.00	0.0%	0.0%		\$100.00	0.0%	0.00%
	999 Undistributed	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	800 Contingency	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	902 - Pmts of Short Term Loans	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	Payroll Expense	\$0.00	\$0.00	\$0.00	0.0%	0.0%		\$0.00	0.0%	0.00%
	<b>Total Expense</b>	<b>\$5,501,358.46</b>	<b>\$6,610,329.33</b>	<b>\$1,108,970.87</b>			<b>\$43,358.00</b>	<b>\$6,653,687.33</b>		
	<b>Net Income</b>	<b>(\$827,932.41)</b>	<b>(\$839,808.33)</b>					<b>(\$968,666.33)</b>	<b>(\$128,858.0)</b>	

\* Denton Fees were \$31,185.00

# Exhibit “F”

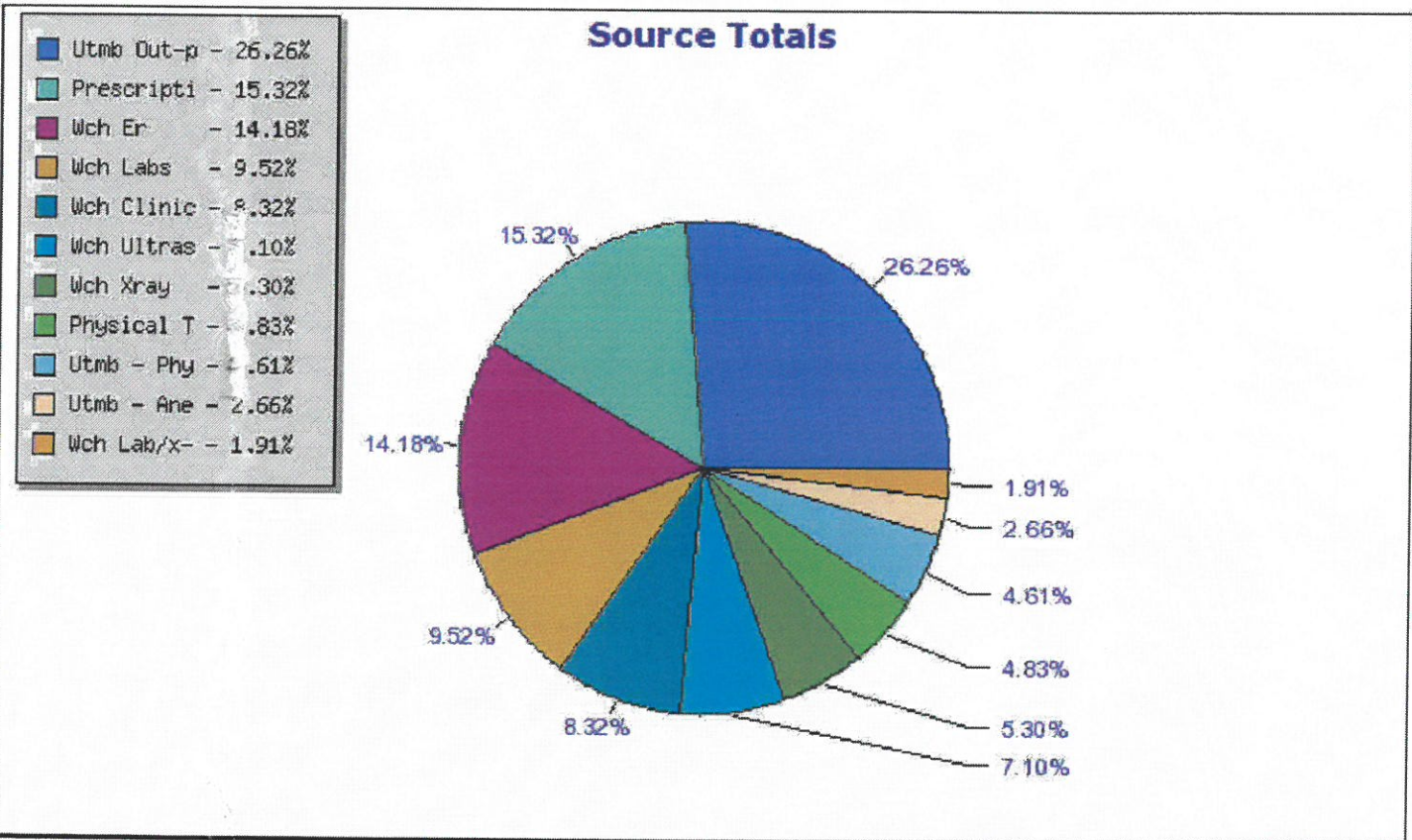
# of Clients:	October				November			
	77				72			
	Billed Amount	Medicaid Rate	% of Services	Actually Paid	Billed Amount	Medicaid Rate	% of Services	Actually Paid
<b>Summary by Facility</b>								
Winnie Community Hospital	\$41,388.00	\$16,958.92	43.40%	\$0.00	\$45,563.00	\$18,680.83	51.15%	\$0.00
<b>Pharmacy</b>								
Brookshire Brothers Pharmacy	\$10,071.51	\$8,790.02	22.50%	\$8,790.02	\$5,098.41	\$4,524.50	12.39%	\$4,524.50
Wilcox Pharmacy	\$2,154.52	\$1,246.83	3.19%	\$1,246.83	\$1,735.75	\$1,069.17	2.93%	\$1,069.17
<b>Total</b>	\$12,226.03	\$10,036.85	25.69%	\$10,036.85	\$6,834.16	\$5,593.67	26.26%	\$5,593.67
<b>UTMB</b>								
UTMB Hospital	\$30,130.60	\$8,436.56	21.59%	\$8,436.56	\$34,254.02	\$9,591.13	26.26%	\$9,591.13
UTMB Physician Services	\$9,852.00	\$3,641.96	9.32%	\$3,641.96	\$7,473.00	\$2,652.51	7.26%	\$2,652.51
<b>Total</b>	\$39,982.60	\$12,078.52	30.91%	\$12,078.52	\$41,727.02	\$12,243.64	33.53%	\$12,243.64
<b>Grand Totals</b>	<b>\$93,596.63</b>	<b>\$39,074.29</b>		<b>\$22,115.37</b>	<b>\$94,124.18</b>	<b>\$36,518.14</b>		<b>\$17,837.31</b>
<b>Summary by Service Provided</b>								
Prescription Drugs	\$12,226.03	\$10,036.85	25.69%	\$10,036.85	\$6,834.16	\$5,593.67	15.32%	\$5,593.67
WCH Clinic	\$6,380.60	\$2,616.05	6.70%	\$0.00	\$7,408.00	\$3,037.28	8.32%	\$0.00
WCH ER	\$18,303.00	\$7,504.23	19.21%	\$0.00	\$12,629.00	\$5,177.89	14.18%	\$0.00
WCH Labs	\$9,289.00	\$3,808.49	9.75%	\$0.00	\$8,479.00	\$3,476.39	9.52%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00	\$4,306.00	\$1,765.46	4.83%	\$1,765.46
WCH Ultrasound	\$0.00	\$0.00	%	\$0.00	\$6,320.00	\$2,591.20	7.10%	\$0.00
WCH Lab/Xray	\$4,984.00	\$2,043.44	5.23%	\$0.00	\$1,698.00	\$696.18	1.91%	\$0.00
WCH Xray	\$590.00	\$241.90	0.62%	\$0.00	\$4,723.00	\$1,936.43	5.30%	\$0.00
Lab/Xcray readings	\$1,841.40	\$744.81	1.91%	\$0.00	\$0.00	\$0.00	0.00%	\$0.00
UTMB Outpatient	\$20,721.60	\$5,802.04	14.85%	\$5,802.04	\$34,254.02	\$9,591.13	26.26%	\$9,591.13
UTMB Anesthesia	\$1,830.00	\$1,455.00	3.72%	\$1,455.00	\$1,220.00	\$970.00	2.66%	\$970.00
UTMB LAB/XRAY	\$9,083.00	\$2,543.24	6.51%	\$2,543.24	\$0.00	\$0.00	0.00%	\$0.00
UTMB-Other Services	\$326.00	\$91.28	0.23%	\$91.28	\$0.00	\$0.00	0.00%	\$0.00
UTMB Physician Services	\$8,022.00	\$2,186.96	5.60%	\$2,186.96	\$6,253.00	\$1,682.51	4.61%	\$1,682.51
<b>Grant Totals</b>	<b>\$93,596.63</b>	<b>\$39,074.29</b>		<b>\$22,115.37</b>	<b>\$94,124.18</b>	<b>\$36,518.14</b>		<b>\$19,602.77</b>



**Source Totals for Batch Dates 11/01/2017 through 11/30/2017**

Utmb Out-patient	26.26%	\$9,591.13
Prescription Drugs	15.32%	\$5,593.67
Wch Er	14.18%	\$5,177.89
Wch Labs	9.52%	\$3,476.39
Wch Clinic	8.32%	\$3,037.28
Wch Ultrasound	7.10%	\$2,591.20
Wch Xray	5.30%	\$1,936.43
Physical Therapy	4.83%	\$1,765.46
Utmb - Physician Services	4.61%	\$1,682.51
Utmb - Anesthesia Services	2.66%	\$970.00
Wch Lab/x-ray	1.91%	\$696.18
<b>Total Expenditures</b>		<b>\$36,518.14</b>

**Source Totals**



**Entry Statistics for Entry Dates 11/01/2017 through 11/30/2017**

Clients Entered	1
Rapid Reg. Entered	1
Vendors Entered	0
Worksheets Entered	6
Invoices Entered	97

**Void Statistics for Void Dates 11/01/2017 through 11/30/2017**

---

Clients Voided	0
Vendors Voided	0
Rapid Reg. Voided	0
Invoices Voided	1

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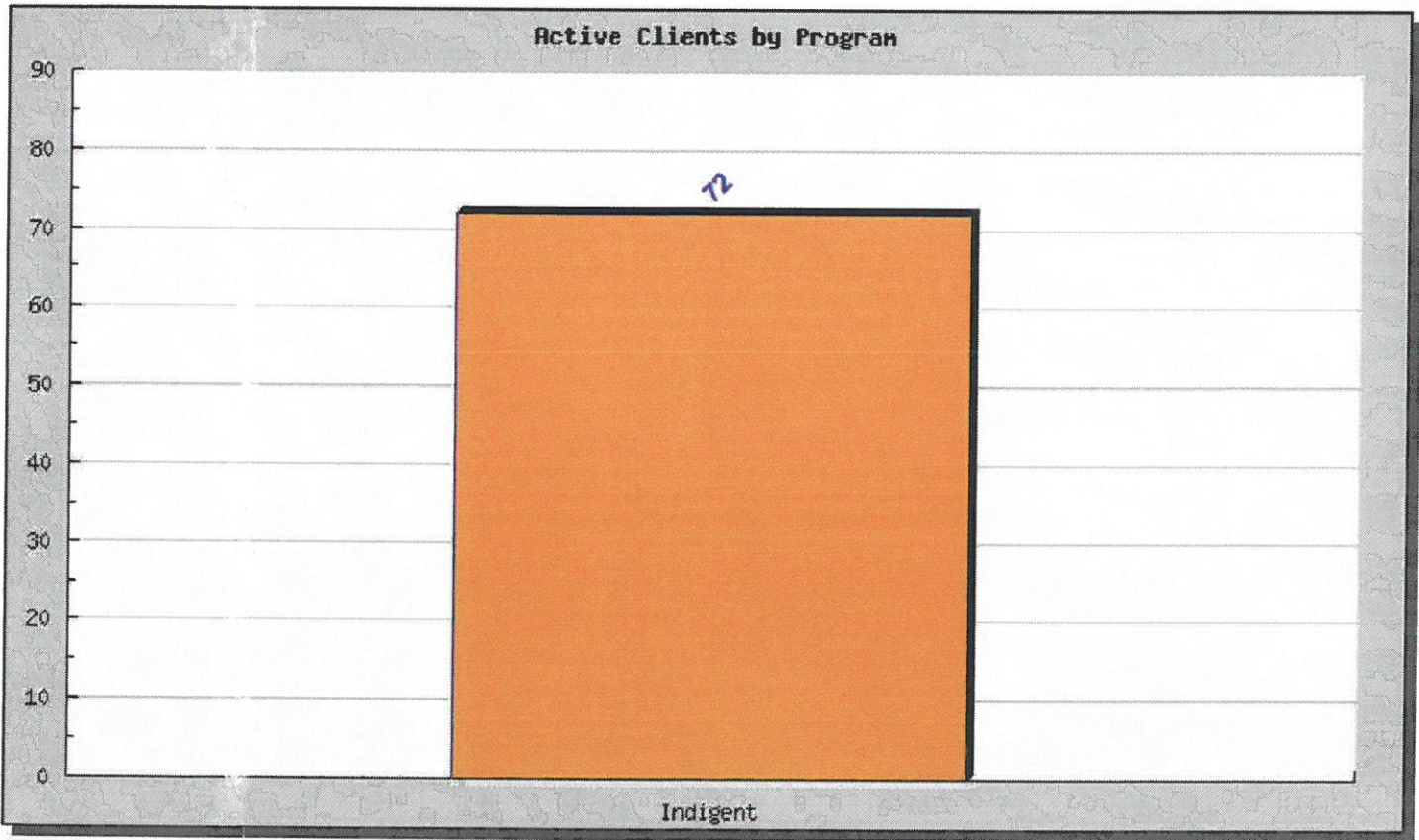
**Active Clients by Program for Eligibility Dates 11/01/2017 through 11/30/2017**

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Indigent	72
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**Total Clients By Program** **72**



**Appointments Scheduled by Type for Appointment Dates 11/01/2017 through 11/30/2017**

---

New Appointment	0
Renewal	11

---

**Total Appointments Scheduled** **11**

**Source Totals Report**Winnie Stowel Hospital District Indigent Healthcare  
ServicesBatch Dates 11/30/2017 through 11/30/2017  
For Vendor: All Vendors

Source	Description	Amount Billed	Amount Paid
02	Prescription Drugs	6,834.16	5,593.67
20	Physical Therapy	4,306.00	1,765.46
21	Wch Clinic	7,408.00	3,037.28
24	Wch Er	12,629.00	5,177.89
25	Wch Lab/x-ray	1,698.00	696.18
27	Wch Labs	8,479.00	3,476.39
28	Wch Xray	4,723.00	1,936.43
29	Wch Ultrasound	6,320.00	2,591.20
31	Utmb - Physician Services	6,253.00	1,682.51
31-1	Utmb - Anesthesia Services	1,220.00	970.00
34	Utmb Out-patient	34,254.02	9,591.13
		<hr/>	<hr/>
<b>Expenditures</b>		94,124.18	36,518.14
<b>Reimb/Adjustments</b>		0.00	0.00
		<hr/>	<hr/>
<b>Grand Total</b>		<b>94,124.18</b>	<b>36,518.14</b>

**Source Totals Report Detail**

Invoice #	Source	DOS	Amount Billed	Amount Paid
036-2811*65460*26	02	11/06/2017	45.62	45.62
036-3067*65460*7	02	11/06/2017	28.35	28.35
036-3213*65460*4	02	11/08/2017	26.35	26.35
036-3413*65460*23	02	11/06/2017	40.25	40.25
036-3426*65460*30	02	11/07/2017	55.00	55.00
1023*65460*8	02	11/18/2017	44.55	44.55
1052*18651*1	02	11/03/2017	15.21	8.58
1053*65460*4	02	11/06/2017	18.70	18.70
1061*65460*4	02	11/03/2017	9.28	9.28
1063*65460*5	02	11/06/2017	30.85	29.83
1064*65460*5	02	11/22/2017	50.98	50.98
1082*65460*1	02	11/13/2017	16.96	16.96
036-2833*18651*94	02	11/21/2017	28.92	12.33
036-2833*18651*94	02	11/08/2017	373.81	175.02
036-2856*65460*14	02	11/09/2017	25.00	25.00
036-2856*65460*14	02	11/09/2017	15.22	15.22
036--3424*65460*18	02	11/13/2017	210.32	174.97
036--3424*65460*18	02	11/03/2017	10.00	10.00
1007*18651*7	02	11/27/2017	75.83	37.04
1007*18651*7	02	11/27/2017	53.12	26.35
1009*65460*2	02	11/25/2017	65.27	65.27
1009*65460*2	02	11/25/2017	13.83	9.33
1038*65460*12	02	11/02/2017	1,499.68	1,158.46
1038*65460*12	02	11/01/2017	46.79	46.79
1055*65460*7	02	11/14/2017	34.80	34.80
1055*65460*7	02	11/14/2017	280.88	280.88
1060*18651*3	02	11/21/2017	9.77	4.19
1060*18651*3	02	11/21/2017	75.60	36.94
1069*65460*2	02	11/20/2017	22.35	22.00

1069*65460*2	02	11/20/2017	16.08	16.08
1074*65460*1	02	11/08/2017	7.78	7.78
1074*65460*1	02	11/08/2017	18.70	18.70
1078*65460*3	02	11/02/2017	24.00	24.00
1078*65460*3	02	11/02/2017	81.75	81.75
036-2749*65460*30	02	11/17/2017	39.21	27.91
036-2749*65460*30	02	11/16/2017	11.63	11.63
036-2749*65460*30	02	11/16/2017	78.75	78.75
036-2783*18651*78	02	11/22/2017	81.87	39.84
036-2783*18651*78	02	11/22/2017	95.69	46.26
036-2783*18651*78	02	11/22/2017	177.06	97.18
036-2815*65460*5	02	11/09/2017	34.00	31.90
036-2815*65460*5	02	11/06/2017	34.40	34.40
036-2815*65460*5	02	11/01/2017	248.67	207.57
036-2821*65460*9	02	11/21/2017	31.62	31.62
036-2821*65460*9	02	11/20/2017	4.44	4.44
036-2821*65460*9	02	11/03/2017	147.02	147.02
036-2942*18651*76	02	11/18/2017	43.09	21.42
036-2942*18651*76	02	11/18/2017	29.75	29.75
036-2942*18651*76	02	11/18/2017	387.68	306.35
036-3372*65460*10	02	11/21/2017	56.96	56.96
036-3372*65460*10	02	11/21/2017	27.16	27.16
036-3372*65460*10	02	11/21/2017	38.91	38.91
1011*65460*22	02	11/03/2017	41.43	41.43
1011*65460*22	02	11/03/2017	5.54	5.54
1011*65460*22	02	11/03/2017	49.66	45.21
1024*65460*15	02	11/02/2017	28.70	28.70
1024*65460*15	02	11/07/2017	17.33	17.33
1024*65460*15	02	11/07/2017	5.00	5.00
1030*65460*16	02	11/16/2017	94.97	94.97
1030*65460*16	02	11/16/2017	28.31	28.31
1030*65460*16	02	11/24/2017	30.63	30.63
1040*18651*10	02	11/09/2017	16.07	7.33
1040*18651*10	02	11/13/2017	47.32	47.32
1040*18651*10	02	11/09/2017	79.63	38.80
1049*65460*8	02	11/03/2017	12.00	12.00
1049*65460*8	02	11/03/2017	39.96	39.96
1049*65460*8	02	11/20/2017	12.32	12.32
1054*65460*7	02	11/01/2017	451.09	336.59
1054*65460*7	02	11/27/2017	10.00	10.00
1054*65460*7	02	11/27/2017	15.00	15.00
1056*65460*5	02	11/30/2017	78.75	78.75
1056*65460*5	02	11/30/2017	24.00	24.00
1056*65460*5	02	11/30/2017	12.00	12.00
036-2945*65460*5	02	11/14/2017	32.09	32.09
036-2945*65460*5	02	11/14/2017	20.90	20.90
036-2945*65460*5	02	11/14/2017	51.22	51.22
036-2945*65460*5	02	11/21/2017	14.66	14.66
036-3432*65460*22	02	11/27/2017	71.80	53.78
036-3432*65460*22	02	11/16/2017	5.00	5.00
036-3432*65460*22	02	11/16/2017	5.00	5.00
036-3432*65460*22	02	11/16/2017	25.86	25.86
1019*65460*16	02	11/30/2017	5.00	5.00
1019*65460*16	02	11/30/2017	5.00	5.00
1019*65460*16	02	11/30/2017	56.96	56.96
1019*65460*16	02	11/30/2017	25.86	25.86
1043*65460*10	02	11/03/2017	45.46	45.46
1043*65460*10	02	11/03/2017	20.00	20.00
1043*65460*10	02	11/07/2017	10.00	10.00

1043*65460*10	02	11/07/2017	53.70	53.70
036-3364*18651*45	02	11/22/2017	22.85	22.85
036-3364*18651*45	02	11/22/2017	24.00	24.00
036-3364*18651*45	02	11/22/2017	54.86	54.86
036-3364*18651*45	02	11/22/2017	23.62	12.76
036-3364*18651*45	02	11/22/2017	20.00	20.00
1073*65460*1	02	11/15/2017	15.00	15.00
1073*65460*1	02	11/15/2017	18.70	18.70
1073*65460*1	02	11/15/2017	12.56	12.56
1073*65460*1	02	11/20/2017	7.50	7.50
1073*65460*1	02	11/07/2017	11.63	11.63
1073*65460*1	02	11/15/2017	10.00	10.00
1046*65460*9	02	11/02/2017	25.86	25.86
1046*65460*9	02	11/02/2017	5.00	5.00
1046*65460*9	02	11/02/2017	11.00	11.00
1046*65460*9	02	11/02/2017	10.00	10.00
1046*65460*9	02	11/02/2017	13.02	13.02
1046*65460*9	02	11/02/2017	33.76	33.76
1046*65460*9	02	11/02/2017	27.07	27.07

**43 invoices, 107 line items**

**6,834.16                      5,593.67**

1008*63057*13	20	11/01/2017	1,764.00	723.24
1008*63057*13	20	10/04/2017	2,542.00	1,042.22

**1 invoices, 2 line items**

**4,306.00                      1,765.46**

036-2821*63057*9	21	11/06/2017	172.00	70.52
036-2945*63057*4	21	11/14/2017	213.00	87.33
036-3213*63057*9	21	11/08/2017	459.00	188.19
1006*63057*4	21	10/12/2017	67.00	27.47
1007*63057*3	21	11/26/2017	179.00	73.39
1043*63057*7	21	11/06/2017	213.00	87.33
1055*63057*3	21	11/14/2017	213.00	87.33
1069*63057*4	21	11/19/2017	244.00	100.04
1078*63057*3	21	11/06/2017	299.00	122.59
036-2815*63057*4	21	11/09/2017	213.00	87.33
036-2815*63057*4	21	11/16/2017	213.00	87.33
036-2815*63057*4	21	11/17/2017	286.00	117.26
036-3426*63057*24	21	11/01/2017	210.00	86.10
1024*63057*15	21	11/02/2017	283.00	116.03
1024*63057*15	21	11/15/2017	213.00	87.33
1061*63057*4	21	11/03/2017	213.00	87.33
1061*63057*4	21	11/30/2017	143.00	58.63
1011*63057*18	21	11/03/2017	290.00	118.90
1011*63057*18	21	11/16/2017	191.00	78.31
1011*63057*18	21	11/17/2017	161.00	66.01
1011*63057*18	21	11/18/2017	242.00	99.22
1011*63057*18	21	11/19/2017	326.00	133.66
1011*63057*18	21	11/20/2017	206.00	84.46
1011*63057*18	21	11/22/2017	191.00	78.31
1011*63057*18	21	11/30/2017	191.00	78.31
1030*63057*15	21	11/02/2017	213.00	87.33
1030*63057*15	21	11/16/2017	213.00	87.33
1060*63057*1	21	09/14/2017	213.00	87.33
1038*63057*5	21	11/20/2017	143.00	58.63
1070*63057*4	21	11/28/2017	213.00	87.33
036-3067*63057*9	21	11/09/2017	213.00	87.33
1082*63057*1	21	11/02/2017	213.00	87.33

1082*63057*1	21	11/09/2017	213.00	87.33
1082*63057*1	21	11/13/2017	143.00	58.63
<b>20 invoices, 34 line items</b>			<b>7,408.00</b>	<b>3,037.28</b>
036-3426*63057*24	24	11/25/2017	1,151.00	471.91
1024*63057*15	24	11/07/2017	836.00	342.76
1061*63057*4	24	11/26/2017	830.00	340.30
036-2811*63057*14	24	11/17/2017	1,906.00	781.46
036-2833*63057*9	24	11/16/2017	708.00	290.28
1009*63057*2	24	11/25/2017	1,231.00	504.71
1025*63057*7	24	08/05/2017	116.00	47.56
1052*63057*2	24	11/03/2017	1,257.00	515.37
1038*63057*5	24	11/03/2017	4,594.00	1,883.54
<b>9 invoices, 9 line items</b>			<b>12,629.00</b>	<b>5,177.89</b>
036-2815*63057*4	25	10/31/2017	139.00	56.99
1011*63057*18	25	11/16/2017	554.00	227.14
036-3067*63057*9	25	10/31/2017	1,005.00	412.05
<b>3 invoices, 3 line items</b>			<b>1,698.00</b>	<b>696.18</b>
1030*63057*15	27	11/03/2017	1,606.00	658.46
1070*63057*4	27	11/28/2017	601.00	246.41
1082*63057*1	27	11/06/2017	1,161.00	476.01
1082*63057*1	27	11/27/2017	5,111.00	2,095.51
<b>3 invoices, 4 line items</b>			<b>8,479.00</b>	<b>3,476.39</b>
1060*63057*1	28	09/14/2017	441.00	180.81
036-3067*63057*9	28	11/02/2017	3,841.00	1,574.81
1082*63057*1	28	11/02/2017	441.00	180.81
<b>3 invoices, 3 line items</b>			<b>4,723.00</b>	<b>1,936.43</b>
1030*63057*15	29	11/08/2017	1,875.00	768.75
1070*63057*4	29	11/29/2017	4,445.00	1,822.45
<b>2 invoices, 2 line items</b>			<b>6,320.00</b>	<b>2,591.20</b>
036-2821*63615*1	31	10/25/2017	415.00	95.54
036-2856*63615*1	31	09/18/2017	415.00	95.54
1030*63615*1	31	09/14/2017	195.00	73.14
1040*63615*1	31	10/05/2017	273.00	65.29
1054*63615*2	31	09/26/2017	183.00	39.92
1065*63615*2	31	10/02/2017	415.00	116.20
1070*63615*1	31	09/07/2017	188.00	48.32
1074*63615*2	31	10/26/2017	110.00	26.57
1076*63615*1	31	10/27/2017	273.00	65.29
1078*63615*1	31	10/05/2017	415.00	95.54
036-3426*63615*1	31	09/15/2017	23.00	6.44
036-3426*63615*1	31	09/15/2017	415.00	116.20
1011*63615*2	31	10/02/2017	508.00	142.24
1011*63615*2	31	08/21/2017	148.00	25.66
1060*63615*1	31	10/23/2017	23.00	7.70
1060*63615*1	31	10/23/2017	415.00	116.20
036-2811*63615*3	31	09/29/2017	263.00	97.84

036-2811*63615*3	31	10/06/2017	165.00	61.27
036-2811*63615*3	31	10/06/2017	93.00	34.64
036-2811*63615*3	31	10/16/2017	273.00	65.29
1035*63615*3	31	10/04/2017	270.00	56.08
1035*63615*3	31	10/04/2017	153.00	42.84
1035*63615*3	31	10/06/2017	63.00	17.64
1035*63615*3	31	10/06/2017	73.00	26.63
1073*63615*1	31	10/05/2017	188.00	48.32
1073*63615*1	31	10/19/2017	110.00	26.57
1073*63615*1	31	10/16/2017	165.00	61.58
1073*63615*1	31	10/05/2017	23.00	8.02

**16 invoices, 28 line items**

**6,253.00      1,682.51**

1069*63615*3	31-1	10/16/2017	420.00	420.00
1069*63615*3	31-1	10/16/2017	800.00	550.00

**1 invoices, 2 line items**

**1,220.00      970.00**

036-3067*63614*3	34	09/07/2017	1,362.19	381.41
036-3364*63614*1	34	10/12/2017	323.00	90.44
1011*63614*2	34	10/02/2017	2,608.17	730.29
1040*63614*1	34	10/05/2017	323.00	90.44
1054*63614*2	34	09/26/2017	323.00	90.44
1060*63614*1	34	10/23/2017	1,366.00	382.48
1072*63614*3	34	10/03/2017	323.00	90.44
1074*63614*2	34	10/26/2017	558.00	156.24
1077*63614*1	34	09/26/2017	1,837.00	514.36
1078*63614*1	34	10/05/2017	509.00	142.52
1035*63614*3	34	10/04/2017	1,262.11	353.39
1035*63614*3	34	10/06/2017	2,621.17	733.93
1065*63614*2	34	10/02/2017	181.00	50.68
1065*63614*2	34	10/02/2017	323.00	90.44
1069*63614*4	34	10/16/2017	13,174.38	3,688.83
1069*63614*4	34	10/25/2017	323.00	90.44
036-2811*63614*4	34	09/29/2017	2,889.00	808.92
036-2811*63614*4	34	10/06/2017	581.00	162.68
036-2811*63614*4	34	10/16/2017	532.00	148.96
1073*63614*1	34	10/05/2017	684.00	191.52
1073*63614*1	34	10/16/2017	1,828.00	511.84
1073*63614*1	34	10/19/2017	323.00	90.44

**15 invoices, 22 line items**

**34,254.02      9,591.13**

**Grand Totals**

**94,124.18      36,518.14**

**101 invoices listed.  
216 line items listed.**

# Exhibit “G-1”



## Hubert Oxford IV

---

**From:** Tommy Davis <tommyd@dhcg.com>  
**Sent:** Wednesday, December 20, 2017 8:36 AM  
**To:** Hubert Oxford IV  
**Subject:** Re: Status of 2016 Audit

Will be ready @ January board meeting.

Do need to disclose that the week of January 15th, our whole firm will be at training, and no one will be able to present that week. Will the board meeting be that week or the following?

Thanks,

*Tommy L. Davis, CPA*  
Durbin & Company, L.L.P.  
400 Austin Ave, Suite 1001  
Waco, Texas 76701  
254-757-2448 Office  
254-449-9169 Direct  
254-255-4474 Fax  
254-722-9395 Mobile  
[www.durbinco.com](http://www.durbinco.com)

---

**From:** Hubert Oxford <[hoxfordiv@benoxford.com](mailto:hoxfordiv@benoxford.com)>  
**Date:** Tuesday, December 19, 2017 at 2:10 PM  
**To:** Tommy Davis <[tommyd@dhcg.com](mailto:tommyd@dhcg.com)>  
**Cc:** "[sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com)" <[sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com)>, "David Sticker ([davidbsticker@gmail.com](mailto:davidbsticker@gmail.com))" <[davidbsticker@gmail.com](mailto:davidbsticker@gmail.com)>  
**Subject:** RE: Status of 2016 Audit

Tommy,

Meeting tomorrow. Can you give me an ETA?

Hubert Oxford, IV  
Benckenstein & Oxford, L.L.P.  
3535 Calder Avenue, Suite 300  
Beaumont, Texas 77706  
(409) 951-4721 Direct  
(409) 351-0000 Cell  
(409) 833-8819 Fax

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---

**From:** Hubert Oxford IV  
**Sent:** Thursday, December 14, 2017 10:04 AM  
**To:** '[tommyd@dhcg.com](mailto:tommyd@dhcg.com)' <[tommyd@dhcg.com](mailto:tommyd@dhcg.com)>  
**Cc:** [sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com); David Sticker ([davidbsticker@gmail.com](mailto:davidbsticker@gmail.com)) <[davidbsticker@gmail.com](mailto:davidbsticker@gmail.com)>  
**Subject:** Status of 2016 Audit

Tommy,

How is the audit coming along? We have a meeting next Wednesday, the 20<sup>th</sup> of December. Any chance we can put this on the agenda to approve?

Hubert Oxford, IV  
Benckenstein & Oxford, L.L.P.  
3535 Calder Avenue, Suite 300  
Beaumont, Texas 77706  
(409) 951-4721 Direct  
(409) 351-0000 Cell  
(409) 833-8819 Fax

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# Exhibit “G-2”

# Winnie Stowell Hospital District

# INVOICE

P.O. Box 1975  
Winnie, Texas 77665  
Phone 409-296-1003

**DATE:** December 20, 2017  
**INVOICE #** 1 of 2  
**FOR:** *Reimbursement for*

**Bill To:**

Genesis Healthcare  
Cassie Mistretta  
Senior VP of Operations  
Southwest Area  
Genesis Healthcare  
6363 N. Hwy 161, Suite 325  
Irving, TX 75038

Phone: (251) 533-1331

DESCRIPTION	AMOUNT
Reimbursement for Administrative Costs payable in two payments totalling \$85,500.0	\$ 42,750.00
<b>TOTAL</b>	<b>\$ 42,750.00</b>

Make check payable to **Winnie Stowell Hospital District**

If you have any questions concerning this invoice, contact Sherrie Norris,  
Administrator, Winnie Stowell Hospital District at 409-296-1003 or [sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com)

# Winnie Stowell Hospital District

P.O. Box 1975  
Winnie, Texas 77665  
Phone 409-296-1003

# INVOICE

**DATE:** January 22, 2018  
**INVOICE #** 2 of 2  
**FOR:** Reimbursement for

**Bill To:**

Genesis Healthcare  
Cassie Mistretta  
Senior VP of Operations  
Southwest Area  
Genesis Healthcare  
6363 N. Hwy 161, Suite 325  
Irving, TX 75038

Phone: (251) 533-1331

DESCRIPTION	AMOUNT
Reimbursement for Administrative Costs payable in two payments totalling \$85,500.00	\$ 42,750.00
<b>TOTAL</b>	<b>\$ 42,750.00</b>

Make check payable to **Winnie Stowell Hospital District**

If you have any questions concerning this invoice, contact Sherrie Norris, Administrator, Winnie Stowell Hospital District at 409-296-1003 or [sherrie@wshd-tx.com](mailto:sherrie@wshd-tx.com)

# Exhibit “H-1”

**AMENDED AND RESTATED MANAGEMENT AGREEMENT**

BETWEEN

**WINNIE-STOWELL HOSPITAL DISTRICT**

AND

---

FOR

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## AMENDED AND RESTATED MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT (“Agreement”) is effective as of September 1, 2017 (“Effective Date”), by and between Winnie-Stowell Hospital District, a governmental entity and body politic established pursuant to the laws of the state of Texas (“Hospital District”) and \_\_\_\_\_, a limited partnership (“Manager”).

### RECITALS:

WHEREAS, Hospital District is engaged in the business of, among other things, operating licensed health care facilities, and Manager is engaged in the business of managing licensed health care facilities;

WHEREAS, Hospital District and Manager previously entered into a Sublease Agreement dated August 31, 2014 (as amended, “Sublease”) and Operations Transfer Agreement, dated as of August 31, 2014 (“Operations Transfer Agreement”) in respect of the real property and certain personal property associated with the licensed health facility known as \_\_\_\_\_, located at \_\_\_\_\_ (the “Facility”);

WHEREAS, Hospital District and manager previously entered into a Management Agreement dated as of August 31, 2014, (as amended, the “Original Management Agreement”), pursuant to which Hospital District engaged Manager to manage the Facility on behalf of the Hospital District in accordance with the terms and conditions thereof;

WHEREAS, prior to the Sublease to Hospital District, the Facility was leased and operated by Manager;

WHEREAS, Hospital District and Manager desire to amend and restate the Original Management Agreement, effective as of the Effective Date, whereby Hospital District will continue to engage Manager to manage the Facility on behalf of Hospital District and Manager will continue to manage the Facility on behalf of Hospital District in accordance with the terms and conditions of this Agreement.

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

### ARTICLE 1. DEFINITION OF TERMS

The following terms when used in this Agreement shall have the meanings indicated:

“Affiliate” means any individual or entity that, directly or indirectly, is in control of, is controlled by, or is under common control with Manager or Hospital District. Manager or Hospital District shall be deemed to control another entity if either possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other entity, whether through the ownership of voting securities, membership interests, manager or board membership, by contract, or otherwise. Neither Manager nor Hospital District shall be deemed to be an Affiliate of the other party.

“Agreement” shall mean this Management Agreement as amended from time to time as provided herein.

“Annual Operating Budget” shall have the meaning set forth in Section 7.3.



“Base Management Fee” shall have the meaning set forth in Section 5.1.

“Capital Expenditures” means expenditures on property, plant and equipment, and other expenditures, that are required to be capitalized pursuant to GAAP.

“Commencement Date” means September 1, 2017.

“Cost Report Year End” shall mean \_\_\_\_\_ of each year with respect to Medicare and Medicaid.

“Default” shall have the meaning with respect to Hospital District or Manager, as the case may be, as set forth in Article 14.

“Effective Date” shall have the meaning set forth in the first sentence of this Agreement.

“Emergency Working Capital” shall have the meaning set forth in Section 6.1.

“Employment Laws” means any federal, state or local law (including the common law), statute, ordinance, rule, regulation, order or directive with respect to employment, conditions of employment, benefits, compensation, or termination of employment that currently exists or may exist at any time during the Term of this Agreement, including, but not limited to, the Family Medical Leave Act, the Fair Labor Standards Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Workers Adjustment and Retraining Act, the Occupational Safety and Health Act, the Immigration Reform and Control Act of 1986, and the Americans With Disabilities Act of 1990.

“Environmental Laws” means any law, ordinance, regulation or requirement now or hereinafter in effect relating to land use, air, soil, surface water, groundwater (including the protection, cleanup, removal, remediation or damage thereof), human health and safety or any other environmental matter, including, without limitation, the following laws as the same may be amended from time to time: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Safe Drinking Water Act, 14 U.S.C. Section 1401 et seq.; the Superfund Amendment and Reauthorization Act of 1986, Public Law 99-499, 100 Stat. 1613; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., any legal requirements or common law requirements relating to toxic mold, or any other similar federal, state, county or local statute, law, ordinance, resolution, code rule, regulation, order or decree now or hereafter adopted, published and/or promulgated pursuant thereto, as are now or at any time hereinafter in effect.

“Event of Default” shall have the meaning with respect to Hospital District or Manager, as the case may be, as set forth in Article 14.

“Extended Term” shall have the meaning set forth in Section 4.1.

“Fiscal Year” means the fiscal year of Hospital District, which ends on \_\_\_\_\_ of each year.

“GAAP” means generally accepted accounting principles in the United States.

“Governmental Authority” shall mean any court or any federal, state, or local legislative body or governmental municipality, department, commission, board, bureau, agency or authority, including

without limitation, the Centers for Medicare and Medicaid Services (“CMS”), the Texas Health and Human Services Commission (“HHSC”), the Texas Department of Aging and Disability Services (“DADS”), but not including Hospital District.

“Hazardous Materials” means and include any substance or material containing one or more of any of the following: "hazardous material," "hazardous waste," "hazardous substance," "regulated substance," "petroleum," "pollutant," "contaminant," or "asbestos" as such terms are defined in any applicable Environmental Law in such concentration(s) or amount(s) as may impose clean up, removal, monitoring or other responsibility under any applicable Environmental Law, or which may present a significant risk of harm to residents, invitees or employees of the Facility.

“Hospital District” shall have the meaning set forth in the first sentence of this Agreement.

“IGT” means an intergovernmental transfer of public funds from Hospital District to HHSC pursuant to QIPP or MPAP (both as defined below).

“Impositions” means all real estate and personal property taxes, levies, assessments and similar charges including, without limitation, the following: all water, sewer or similar fees, rents, rates, charges, excises or levies; vault license fees or rentals; license fees; permit fees; inspection fees and other authorization fees and other governmental fees, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or hereinafter levied or assessed (including all interest and penalties thereon), which at any time during or in respect of the Term of this Agreement (a) may be assessed, levied, confirmed or imposed on Prime Lessor, Hospital District, or Manager with respect to the Facility or the ownership or operation thereof or any property of Prime Lessor, Manager, or Hospital District located thereon or (b) are otherwise payable under the Sublease or Prime Lease. Impositions shall not include any federal or state income or franchise taxes payable by Prime Lessor, Hospital District, or Manager.

“Incentive Payments” shall have the meaning set forth in Section 5.1.2.

“Initial Term” shall have the meaning set forth in Section 4.1.

“Interim Report” shall have the meaning specified in Section 7.4.

“Inventories and Supplies” means all provisions in storerooms, refrigerators, pantries and kitchens, medical supplies, other merchandise intended for sale, fuel, mechanical supplies, stationery, linen, utensils, dishware, glassware, flatware, uniforms, rugs, drapes, bedspreads, wall and floor coverings, mats, shower curtains, janitorial equipment and supplies, and other expenses, supplies and similar items.

“Legal Requirements” means (i) any law, code, rule, ordinance or regulation, as amended, applicable to Hospital District, Manager, or the Facility or the operation thereof, including without limitation Employment Laws, Environmental Laws, 42 U.S.C. §1396 *et seq.* Texas Health and Safety Code Chapter 242, Texas Human Resources Code chapter 32, 40 Texas Administrative Code Chapter 19, 1 Texas Administrative Code Chapters 353, 355 and 371, the Health Insurance Portability and Accountability Act (Public Law 104-91) (“HIPAA”), the Texas Medical Records Privacy Act (Texas Health & Safety Code Chapter 181), the Social Security Act (including the Medicare and Medicaid Anti-Fraud and Abuse Amendments (42 U.S.C. § 1320a-7a and -7b) and the federal Physician Anti-Self Referral (“Stark”) Law (42 U.S.C. § 1395nn), the Texas Medical Practice Act (Texas Occupations Code § 151.001 *et seq.*), the Texas Patient Non-Solicitation Law (Texas Occupations Code § 102.001), and Tex. Civ. Prac. & Rem. Code Ch. 74; and (ii) any order of any Governmental Authority having jurisdiction over Hospital District, Manager, or the Facility or the operation thereof.

“Lender” means and refers to any third party financing of the Facility by Prime Lessor or Manager prior to the Effective Date.

“License” means any license, certification, permit, decree, act, order, authorization, agreement or other approval or instrument which is necessary in order to operate the Facility in accordance with Legal Requirements or otherwise in accordance with this Agreement.

“Litigation” means: (i) any cause of action commenced in a federal, state or local court in the United States relating to the Facility and/or the ownership or operation thereof; and (ii) any claim brought before an administrative agency or body (for example, without limitation, employment discrimination claims) relating to the Facility or the ownership or operation thereof.

“Manager” shall have the meaning set forth in the first sentence of this Agreement.

“MCO” means a Medicaid managed care organization contracted with HHSC to provide nursing facility services to Medicaid recipients under the Star+Plus program.

“Material Contract” means any contract related to the Facility with an annual financial liability in excess of \$25,000.00.

“Minimum Payment Amount Program” or “MPAP” means the minimum payment program for non-state government owned nursing facilities established by HHSC pursuant to 1 Tex. Admin. Code § 353.608.

“Net Operating Income” for any given time period shall mean Total Net Revenue less: (a) Operating Expenses and (b) amounts allocated to Surplus Working Capital; provided, however, that if Net Operating Income as calculated above is less than the amount of Supplemental Payments, then Net Operating Income shall be deemed to be equal to the amount of Supplemental Payments.

“Operating Expenses” means any or all, as the context requires, of the expenses the Manager is required to pay on behalf of Hospital District under this Agreement, including the following: (i) all costs and expenses incurred in connection with the Prime Lease, Sublease and operation, management, and maintenance of the Facility, including, without limitation, Base Management Fees, rent and all other payments to be made to Manager under the Sublease, departmental expenses, personnel costs, administrative and general expenses, advertising and business promotion expenses, heat, light, power, electricity, gas, telephone, television and other utilities, routine repairs, maintenance and minor alterations treated as Operating Expenses under Section 8.1; (ii) the cost of Inventories and Supplies consumed in the operation of the Facility; (iii) a reasonable reserve for uncollectible accounts receivable as determined by Manager in accordance with GAAP; (iv) the cost and expense of audit, accounting, legal, technical, and other professional consultants and operational experts who are retained by Manager relating to the Facility or the ownership or operation thereof, including any intercompany allocations to Manager’s Affiliates for administrative or other services provided by such Affiliates; (v) costs and expenses for preparation of Medicare and Medicaid cost reports and billing submissions; (vi) insurance costs; (vii) any and all Impositions; (viii) those costs and expenses that are expressly identified as Operating Expenses in this Agreement; and (ix) any other non-capital costs and expenses incurred as are specifically provided for elsewhere in this Agreement or are reasonably necessary for the proper and efficient operation of the Facility. For the avoidance of doubt, IGTs are not an Operating Expense.

“Ordinary Revenue” for any given time period means Total Net Revenue minus any Supplemental Payments.

“Personnel Costs” means the actual out-of-pocket payroll costs and expenses incurred by Manager or any of its Affiliates, including, but not limited to, salaries, payroll taxes and benefits, in connection with hiring or leasing the personnel the Manager is required to provide pursuant to Section 3.1.

“Prime Lease” means that certain Lease Agreement dated as of \_\_\_\_\_ by and between \_\_\_\_\_ and Manager pertaining to the Facility.

“Proprietary Marks” means all trademarks, trade names, symbols, logos, slogans, designs, insignia, emblems, devices, service marks and distinctive designs containing the assumed business name of the Facility or any variation thereof as of the Effective Date or during the Term of this Agreement.

“QIPP” means the Texas Quality Incentive Payment Program for Nursing Facilities established by HHSC and to be codified at 1 Tex. Admin. Code §353.1303, as finally adopted by HHSC, and as amended from time to time.

“Quality Assurance Performance Improvement (“QAPI”) Validation Report” means a monthly report pertaining to the Facility submitted to an MCO that demonstrates that the Facility has convened a meeting to review the Facility’s CMS-compliant plan for maintaining and improving safety and quality in the Facility.

“Software” means computer software and accompanying documentation (including all future upgrades, enhancements, additions, substitutions and modifications thereof) which have been developed by, or specifically on behalf of, and owned by Manager or an Affiliate of Manager, other than computer software that is commercially available, which are used by Manager in connection with its operations at the Facility. Notwithstanding the foregoing, the term “Software” shall not include any computer software owned by or licensed to Hospital District.

“Standard of Care” means the quality of care consistent with the standards of a reasonably prudent provider of nursing facility services. Manager shall use its best efforts to ensure that the Facility is operated in a manner that meets or exceeds the Standard of Care.

“Sublease” has the meaning set forth in the Recitals.

“Supplemental Payments” shall mean any and all payments or other amounts received by Hospital District from HHSC, the State of Texas or any of their respective intermediaries or contractors, including an MCO, for the Facility’s participation in MPAP, QIPP, or any successor program, minus the amount of any IGT that Hospital District may transfer in Hospital District’s sole discretion to the State of Texas in connection with the Facility’s participation in MPAP, QIPP, or any successor program. For avoidance of doubt, Supplemental Payments include all payments to Hospital District in respect of the Facility under MPAP or QIPP, including all QIPP capitation rate components, whether such reimbursement is designated as component one, two or three, funds redistributed due to one or more nursing facilities failing to meet quality metrics, and any amounts returned to Hospital District or Facility as part of a reconciliation performed pursuant to MPAP or QIPP. Supplemental Payments do not include any portion of the Facility’s Medicaid reimbursement rate derived without reference to MPAP or QIPP.

“Surplus Working Capital” for any given time period shall mean Ordinary Revenue minus Operating Expenses.

“Term” means the Initial Term plus any Extended Term.

“Termination” means the termination of this Agreement as provided in Article 4 or the expiration of this Agreement.

“Total Net Revenue” shall mean for any given time period the difference between:

- (i) all revenue received in connection with the operation of the Facility, including but not limited to the revenue from monthly occupancy fees, health care fees and ancillary services fees received pursuant to various agreements with residents of the Facility; income from food and beverage, and catering sales at the Facility; income from vending machines located at the Facility; Supplemental Payments; and proceeds, if any, from business interruption or other loss of income insurance claims made with respect to the Facility; less
- (ii) amounts refunded, adjusted, owed or credited to residents or third parties (including but not limited to third party or governmental payors) as a result of contractual allowances, erroneous payments, overpayments or for any other reason, including, without limitation, any claims, assessments, adjustments or other amounts required to be paid; gratuities to employees at the Facility; and any cash refunds, rebates or discounts to residents of the Facility, cash discounts and credits of a similar nature, given, paid or returned in the course of obtaining Total Net Revenue or components thereof.

The calculation of Total Net Revenue shall be made using the accrual method of accounting in accordance with GAAP. Without limiting the foregoing, the following amounts shall not be taken into account in computing Total Net Revenue:

- (a) federal, state or municipal excise, sales or use taxes or similar taxes imposed at the point of sale and collected directly from residents or guests or the Facility or included as part of the sales price of any goods or services;
- (b) proceeds from the sale of any capital asset;
- (c) interest received or accrued with respect to any funds or investments, including, without limitation, funds in any operating reserve account, working capital account or any other accounts established in the name of Hospital District or for the benefit of the Facility;
- (d) proceeds, income of any financing or refinancing of the Facility or any portion thereof; and
- (e) proceeds of any insurance policy or condemnation or other taking.

## **ARTICLE 2. APPOINTMENT OF MANAGER**

### **2.1 Appointment**

- 2.1.1 Upon the terms and subject to the conditions of this Agreement, Hospital District hereby continues to engage Manager to manage the Facility on behalf of Hospital District commencing on the Commencement Date.
- 2.1.2 The performance of all activities by Manager hereunder shall be on behalf of Hospital District for the benefit of Hospital District. By entering into this Agreement, Hospital District does not delegate to Manager any powers, duties or responsibilities that Hospital

District is not authorized by law to delegate. Hospital District retains all other authority and control that has not been expressly delegated to Manager pursuant to this Agreement.

2.2 Authority and Responsibility of Manager

2.2.1 In the performance of its duties hereunder, Manager shall be and act as an independent contractor, with the sole duty to supervise, manage, operate, control and direct the performance of the Facility for the benefit of Hospital District and subject to the ultimate authority and control of Hospital District and other restrictions described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

2.2.2 As a material condition of this Agreement, Manager shall use its best efforts to perform its duties and obligations in substantial compliance with all Legal Requirements.

2.2.3 Subject to Section 2.2.2 and Section 2.3 and except as otherwise provided herein, Manager shall have the authority to manage the Facility in accordance with the Annual Operating Budget and all applicable Legal Requirements. Manager shall be responsible for payment of all Operating Expenses and Capital Expenditures of the Facility on behalf of Hospital District. Without limiting the foregoing, Manager shall perform or cause to be performed the following:

- (a) Assist Hospital District in obtaining, and take all reasonable steps to keep in full force and effect, in Hospital District's name, or as may be required by all Legal Requirements, any and all Licenses;
- (b) Subject to the approval of Hospital District, establish, implement and revise, as necessary, resident care and health care policies and procedures and general administrative policies and procedures, including, without limitation, policies and procedures for the control of revenue and expenditures (which shall be subject to Hospital District approval), for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance;
- (c) Manage the collection and deposit of Ordinary Revenue to the Depository Account and manage the cash flow of the Facility, including, without limitation, billing all patients and governmental or other third-party payors for all services provided by or at the Facility, collecting all Ordinary Revenue and paying all Operating Expenses and other accounts payable related to the operation of the Facility;
- (d) Payment of all Operating Expenses of the Facility from Ordinary Revenue in the following order:
  - (1) Current period and accrued prior period Operating Expenses, other than the Base Management Fee;
  - (2) Current period and accrued prior period Base Management Fees.

All Ordinary Revenue remaining after satisfaction of the foregoing obligations shall be Surplus Working Capital. If there are insufficient Ordinary Revenue

funds to pay Operating Expenses in any given month, then Manager shall use Emergency Working Capital to pay such Operating Expenses;

- (e) Maintain all books and records relating to the operation of the Facility and prepare monthly and annual financial statements for the Facility on a GAAP basis or such other basis as reasonably determined by the Manager, and in consultation with Hospital District, and consistently applied;
- (f) Procure, manage, and replenish all Inventories and Supplies and such other non-capital items for the benefit of Hospital District, and any services from third-parties for the benefit of Hospital District, as are necessary to keep, operate and maintain the Facility;
- (g) Prepare, keep, and provide Hospital District with access to all contracts, books, records, documents, policies and other information necessary for the lawful operation and sound financial management of the Facility;
- (h) Establish prices, rates and charges for services provided at the Facility (any changes to be approved by Hospital District) and negotiate, execute, or request that Hospital District execute, all third party payor contracts relating to and only to services provided at Facility and, in the name of and on behalf of Hospital District, promptly issue bills and other necessary reports to appropriate parties and governmental agencies and take all reasonable measures to timely pursue collection of amounts due for goods and services furnished by the Facility;
- (i) Retain all professionals to provide necessary audit, accounting, legal, cost reporting and other professional services in connection with the operation of the Facility for the benefit of Hospital District;
- (j) Retain all necessary contractors or vendors for ancillary medical, diagnostics, laboratory, pharmacy, social, therapy, dietary, dental, podiatry, behavioral or other required health services;
- (k) ~~If necessary, retain~~ professionals for risk management services relating to the types of insurance required to be maintained by Manager or Hospital District under this Agreement, provided that the costs and expenses of providing such services are to be paid as described in Section 9.3;
- (l) Reasonably cooperate, participate in and be responsible for any survey, inspection or site investigation or accreditation process conducted by a governmental, regulatory, certifying or accrediting entity with authority or jurisdiction over the Facility, and implement any official findings of such reviews;
- (m) Reasonably cooperate and assist Hospital District with any legal dispute in which Hospital District is involved relating to the ownership, management or operation of the Facility;
- (n) Reasonably cooperate with Hospital District, its certified public accountants, and other authorized representatives of Hospital District, in connection with any

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audit, review or reports conducted or prepared in connection with the ownership or operation of the Facility;

- (o) Market and advertise the Facility; provided, however, Manager shall not issue any press release or make any public announcement under the name and behalf of Hospital District without the prior written approval of Hospital District;
- (p) Manage the performance of all covenants, duties and obligations of Hospital District and Manager pursuant to all agreements with residents;
- (q) Execute, negotiate, renew and/or cancel agreements with residents of the Facility in accordance with all Legal Requirements;
- (r) Develop, implement and maintain a quality assurance and performance improvement (QAPI) program and a compliance and ethics program in substantial compliance with the requirements of QIPP and 42 CFR, Parts 483.75 and 483.85;
- (s) After approval by Hospital District, which will not be unreasonably withheld, institute and prosecute such legal actions in the District's name as Manager determines may be necessary to collect delinquent accounts receivable;
- (t) Notify Hospital District as promptly as possible of any developments with respect to the operation of the Facility that are reasonably likely to cause the actual operating results of the Facility to be materially different from the Annual Operating Budget for the Facility;
- (u) Upon the request of Hospital District, attend meetings of Hospital District's governing board or executive staff to discuss management, operations, quality, and other relevant issues;
- (v) Plan, execute, and supervise repairs and maintenance at the Facility; provided, however, that all improvements to the Facility and all capital assets acquired in connection with the operation of the Facility shall be and remain the property of the Manager and shall be accounted for by the parties as such;
- (w) The parties understand and agree that certain deficiencies or situations of non-compliance with various Legal Requirements (such as building codes, OSHA, ADA, health care regulations and the like) are likely to occur from time to time in the normal course of business operations. Such occurrences will not constitute a breach or Default by Manager hereunder, provided that Manager takes reasonable actions to cure, and successfully cures, such deficiencies or situations of non-compliance within regulatory defined timelines. The costs (including any fines for non-compliance) of curing such deficiencies or circumstances of non-compliance shall constitute Operating Expenses.
- (x) Prepare (or cause to be prepared), execute (to the extent permitted by law and as directed by Hospital District), and file with the applicable federal and state governmental agencies any and all reports (including, without limitation, cost reports as outlined in section 2.7.6) required for the proper payment or



reimbursement to Hospital District and the Facility for services provided to residents within required deadlines;

- (y) Notify Hospital District promptly upon receipt of written notice from any Governmental Authority of an alleged finding of non-compliance, pending investigation, audit results or other action that could reasonably be expected to have a material adverse effect on the Facility, including but not limited to immediate jeopardy citations or findings of substandard quality of care at the Facility that could reasonably be expected to result in suspension or termination of the Facility's License, Medicaid provider agreement, and/or Medicare provider agreement; and provide a copy of the Facility's corrective action plan to bring the Facility into substantial compliance with all Legal Requirements;
- (z) Operate the Facility in such a manner that no default shall remain uncured in the mortgage loan, or any equipment lease for the Facility between the Prime Lessor and any financial institution;
- (aa) Pay and discharge in a timely manner all liabilities and obligations of the Manager under the Prime Lease and Hospital District under the Sublease and comply fully with and abide by each and every obligation, liability, responsibility and duty of Manager as set forth in the Prime Lease and manage the Facility so that the Hospital District remains in compliance with all of its obligations and responsibilities under the Sublease. All costs and expenses incurred by Manager in performance of its obligations under this section shall be Operating Expenses; and
- (bb) With the cooperation of Hospital District, (i) develop and design appropriate quality programs based on QIPP quality metrics; (ii) manage the Facility in compliance with all requirements of QIPP, including conduct monthly QAPI meetings; (iii) timely prepare, on behalf of Hospital District, and submit (or provide to Hospital District for submission, if required by QIPP) QAPI Validation Reports, an application to enroll the Facility in QIPP, and any other required reports under QIPP and (iv) provide Hospital District with copies of such reports;
- (cc) Within ninety (90) days after the end of each year of QIPP, provide written verification of QIPP related performance metric outcomes applicable to the prior year; and
- (dd) Perform such other obligations required to be performed by Manager pursuant to this Agreement.

### 2.3 Limitations on Authority of Manager

Notwithstanding anything contained in this Agreement to the contrary and in addition to the various other provisions of this Agreement that prohibit Manager from taking certain actions or allow certain actions only with the prior consent of Hospital District, Manager shall not, without the prior written consent of Hospital District, perform any of the following actions on behalf of Hospital District:

- 2.3.1 Acquire any real property except as approved by Hospital District;

- 2.3.2 Unless required by DADS, Manager will not reduce the number of licensed beds or certified beds in the Facility;
- 2.3.3 Borrow money or incur any indebtedness on behalf of Hospital District; provided, however, that Manager may obtain in Manager's name working capital financing for the purpose of paying Operating Expenses of the Facility;
- 2.3.4 Pledge or provide a security interest in any assets of Hospital District; provided, however; that Manager may pledge a security interest in the Facility Operating Account as collateral for working capital financing obtained in Manager's name;
- 2.3.5 Sell or otherwise dispose of any assets of Hospital District; or
- 2.3.6 Confess a judgment or settle any claim that arose subsequent to the signature date of this Agreement in connection with the Facility.

#### 2.4 Licenses and Permits

Manager on behalf of Hospital District shall at all times from and after the Effective Date and during the Term of this Agreement and with the assistance of Hospital District be responsible for Hospital District obtaining and maintaining all Licenses from any applicable Governmental Authority required for the operation of the Facility. Hospital District shall promptly provide Manager with all information requested by Manager to complete and maintain any Licenses,. Manager shall furnish and make current copies of all required Licenses available for inspection by Hospital District. Manager will be responsible for all reporting and other requirements necessary to obtain and maintain on behalf of Hospital District all Licenses, from any applicable Governmental Authority required for the operation of the Facility; provided, however, certain obligations necessary to obtain and maintain Hospital District's current license and Medicaid and Medicare certifications may not be assigned to Manager, including but not limited to, signature of the license application, license renewal applications, and Medicaid and Medicare applications and provider agreements. Hospital District shall perform all actions reasonably requested by Manager to obtain and maintain the state licenses and federal certifications promptly and without delay. Upon Termination of this Agreement for any reason, Hospital District shall cooperate with Manager and Manager shall cooperate with Hospital District in obtaining all Licenses necessary for operation of the Facility by Manager or a successor operator designated by Manager.

#### 2.5 Representations, Warranties and Covenants

- 2.5.1 Hospital District represents and warrants to and covenants with Manager as follows:
  - (a) Hospital District is a Hospital District established under the laws of the State of Texas.
  - (b) Hospital District has full power and authority to enter into this Agreement and to carry out its obligations set forth herein. Hospital District has taken all action required by law, its organizational documents, or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of Hospital District enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's

rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding may be brought.

- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of Hospital District; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which it is bound.
- (d) Prior to the beginning of each Fiscal Year during the Term of this Agreement, Hospital District's president, or other senior executive, will notify Manager in writing whether Hospital District has budgeted adequate financial resources to timely make any and all IGT during the Fiscal Year. Hospital District will promptly notify Manager in the event any change in Hospital District's financial circumstances that is reasonably expected to or will prevent Hospital District from making any budgeted IGT during the applicable Fiscal Year.
- (e) Hospital District is not a party to a corporate integrity agreement, or any similar agreement with the Office of Inspector General of the U.S. Department of Health and Human Services or any other governmental entity. Hospital District will notify Manager in writing before entering into any such agreement.
- (f) Upon request by Manager, Hospital District shall provide Manager with a list of the nursing facilities operated by Hospital District and any anticipated changes thereto.
- (g) Hospital District shall not, without Manager's prior written consent, which may be withheld in Manager's sole discretion, take any final action that would result in, have the effect of, or cause MCOs to pay Supplemental Payments (or insurance premiums from which MCOs would have paid Supplemental Payments) in any manner or amount other than as provided in MPAP or QIPP, as applicable, and/or as directed by HHSC.

2.5.2 Manager represents and warrants to Hospital District as follows:

- (a) Manager is a Texas limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas.
- (b) Manager has full power and authority to enter into this Agreement and to carry out its obligations as set forth herein. Manager has taken all action required by law, its organizational documents or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of Manager enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of Manager; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which Manager is a party or by which Manager or any of its properties are bound.
- (d) Manager, or Manager's Affiliates, are not a party to a corporate integrity agreement, or any similar agreement with the Office of Inspector General of the U.S. Department of Health and Human Services or any other governmental entity. Manager will notify Hospital District in writing before entering into any such agreement.

## 2.6 Environmental Matters.

In the event of the discovery of Hazardous Materials on or in a Facility during the Term of this Agreement which are in violation of applicable Environmental Laws, Manager shall promptly remove to the extent required by applicable Environmental Laws such Hazardous Materials, together with all contaminated soil and containers, and shall otherwise remedy the problem in accordance with all Environmental Laws. All costs and expenses of the removal of Hazardous Materials from the Facility pursuant to this Section and of the compliance with all Environmental Laws shall be paid from Ordinary Revenue or Emergency Working Capital and treated as an Operating Expense.

## 2.7 Other Services

Manager, subject to the provisions of this Agreement, for and on behalf of Hospital District shall manage and supervise all areas of operations of the Facility for Hospital District, in compliance with all Legal Requirements and Governmental Authority requirements. All costs associated with carrying out such activities shall be considered Operating Expenses.

### 2.7.1 Health Care Services.

- (a) Generally. Manager shall manage the Facility so that each resident receives the necessary and appropriate health care services, including medical, pharmaceutical, nursing, dental, dietary, recreational, social, and rehabilitative services needed to maintain or improve levels of functioning as required by law, regulation, Standard of Care, and/or as prescribed or directed by appropriate and qualified practitioners. Manager shall provide such services directly, arrange for their provision, or coordinate with appropriate third party payors for the provision of such services.
- (b) Primary Physician. Each resident must have a designated licensed and qualified primary physician who will be responsible for the overall medical care of the resident. Residents may be seen or treated by a physician or other health care practitioner of their own choosing at their own expense.
- (c) Nursing Services. Provide nursing services twenty-four (24) hours per day, seven (7) days per week. The mix and number of staff must address the appropriate Standard of Care and the individual resident's acuity level. Nursing services shall also be designed to focus on rehabilitative nursing, addressing proper restorative

programs assisting each resident to achieve and maintain the highest possible level of self-care and independence. Nursing services shall be provided under the supervision of Manager's Director of Nursing.

- (d) Rehabilitative Services. Provide specialized rehabilitative services including physical therapy, speech therapy, occupational therapy, and psychological services when covered by payor programs.
  - (e) Dental Services. Provide dental services, including emergency, and routine services when covered by payor programs.
  - (f) Pharmaceuticals. Provide pharmacy goods and services, including medical supplies and over-the-counter medications when covered by payor programs.
  - (g) Nutrition. Provide a nutritional program that meets all residents' individual dietary needs including special dietary meals, goods, and supplements. Said program shall be reviewed by a registered and/or licensed dietitian.
- 2.7.2 Infection Control. Manager shall institute and maintain an infection control program designed to prevent the development and transmission of disease and infection. All infection control recommendations made by Hospital District or its representative shall be duly considered by Manager; however, the final decision as to the appropriate measures to be taken shall vest entirely in the Medical Director of the facility.
- 2.7.3 Quality Assurance Committee. Manager has established and shall maintain a quality assurance committee that shall be responsible for objectively measuring the quality of health care provided at the Facility. Manager, on behalf of Hospital District, shall use its best efforts to maintain the work product of such committee, including its books, documents, deliberations, papers, internal communications, and memoranda, in a manner that preserves applicable legal privileges available for the same. Further, Manager shall keep all resident personal, health, and other information, as appropriate, confidential in compliance with HIPAA and state and federal law.
- 2.7.4 Resident Trust Fund Accounts. Manager, in accordance with all Legal Requirements, shall establish and maintain one or more personal spending accounts and trust fund accounts, on behalf of the residents of the Facility. Manager shall not commingle the funds in these accounts with any other financial account. Manager shall establish and maintain all appropriate security and accounting systems in connection with the trust fund accounts.
- 2.7.5 Provider. The Facility, by and through Hospital District, will enter into and maintain, with Manager's assistance, a Health Insurance Benefits Agreement (HCFA 1561) with CMS to provide Medicare Part A services to eligible residents. The Facility shall be licensed in the name of Hospital District, and Hospital District shall serve as the provider of services in accordance with the provisions of Section 1866 of the Social Security Act and applicable provisions in the Medicare regulations. Subject to Article 15 of this Agreement, Manager shall be responsible if "take-backs" or related obligations associated with Hospital District's provider number or License or related obligations accrued and/or occurred during the Term and Manager has exhausted all appeals regarding such "take-backs;" and same shall be Operating Expenses during the Term and Manager's expense thereafter.

- 2.7.6 Cost Reports. Manager shall timely and accurately prepare, in the name of and on behalf of Hospital District, all cost, expense and reimbursement reports and related documents relating to services provided to residents, including without limitation the Medicare and Medicaid cost reports in accordance with Title 42 C.F.R., the Provider Reimbursement Manual (CMS Publication 15-2) and applicable state regulations. Manager is hereby authorized by Hospital District to make appropriate and accurate representations regarding eligibility, billings, and provision of services to Medicare and Medicaid on behalf of Hospital District. Manager also is authorized by Hospital District to make reasonable elections to Medicare and Medicaid as permitted in the Medicare and Medicaid regulations and in the Medicare Provider Reimbursement Manual (CMS Publication 15-2). Manager shall have Medicare and Medicaid cost reports prepared by a party with adequate experience in the preparation of such reports in accordance with the Cost Report Year End. Upon request, and no less than twenty (20) days before the due date of any Medicare or Medicaid cost report, Hospital District shall provide Manager, or Manager's designated preparer, a detail of Hospital District's costs, if any, to be allocated to the Facility on such cost reports. Manager shall complete cost reports and provide them to Hospital District for review at least ten (10) days prior to the required deadline for filing the cost reports. Hospital District shall have seven (7) days to review and comment upon the draft cost reports. Hospital District shall be deemed to have approved the cost reports unless Hospital District notifies Manager of any questions or changes to the cost reports within such seven (7) day period. Hospital District shall provide Manager with signed certification statements for cost reports at least one day before the deadline for Manager to file such reports.
- 2.7.7 Medicare and Medicaid Certification. Hospital District and Manager shall ensure that the Facility is state licensed and Medicare and Medicaid certified at all times during the Term of this Agreement according to the duties and obligations of Manager and Hospital District pursuant to this Agreement. Manager shall maintain the Facility, its programs and operations in accordance with this Agreement and in such a way that Medicare and Medicaid certification and state licensure are maintained throughout the Term. Manager shall be responsible for all licensure and Medicare and Medicaid penalties and other enforcement actions related to incidents that occur during the Term of this Agreement and shall take all actions necessary to correct regulatory deficiencies cited by state and federal regulators.
- 2.7.8 Minimum Data Sets Reporting and Record Maintenance. Manager shall use the state approved resident Assessment Instrument ("RAI") to complete and submit Minimum Data Set ("MDS") and resident Assessment Protocols ("RAPs") on a schedule and as required by applicable federal regulations, including 42 C.F.R. § 483.20, and applicable state law. Manager shall be responsible for maintaining all records relating to resident assessments and classifications to include a resident's MDS, RAP, and Resource Utilization Group ("RUG") classifications. Manager shall permit Hospital District to inspect and copy said records upon request.
- 2.7.9 Medicare Amendments. In the event the laws, rules, and regulations governing or otherwise relating to Medicare reimbursement change or are amended such that Manager determines that Hospital District's participation in Medicare reimbursement is no longer financially attractive, the parties shall enter into negotiations to modify or reform this Agreement, together with any other applicable agreements between the parties and their Affiliates. Services will continue to be provided to those residents covered by Medicare

after termination of Hospital District's Medicare provider status until the earlier of the resident's discharge from the Facility or the termination of Medicare benefits.

- 2.7.10 Separately Billable Medicare Part B Services. Medicare Part B covered services which are not required to be billed by Hospital District under the provider number of the Facility under the Medicare consolidated billing provisions for nursing homes and that are separately billable items (e.g., Medicare Part B services other than physical therapy, occupational therapy, or speech therapy services), may be furnished by an appropriate, qualified third party. Based upon the best interests and welfare of the residents of the Facility, Manager shall either provide such separately billable Part B services on behalf of Hospital District or arrange for another third-party supplier to provide such services.
- 2.7.11 All such separately billable Medicare Part B covered services shall be billed to the appropriate payor by the third party that provides such services, and Manager shall not bill any payor for such services.
- 2.7.12 Billing and Payment of Separately Billable Medicare Part B Services. Physical therapy, occupational therapy, and speech therapy services and other like services that may be treated the same for billing purposes under Medicare regulations that are covered under Medicare Part B and furnished to patients of the Facility who are not in a Medicare Part A covered stay shall be furnished by or arranged by Manager. All such Medicare Part B Therapy Services shall be billed to Medicare by Manager in the name of Hospital District and using the Medicare provider number assigned to the Facility.

### ARTICLE 3. PERSONNEL

#### 3.1 Personnel

- 3.1.1 Manager shall be responsible for providing all personnel necessary to operate the Facility in accordance with the terms of this Agreement and all applicable Legal Requirements. All wages, salaries and benefits for such personnel shall be allowable Operating Expenses. Manager shall employ and maintain appropriate, competent and qualified staffing ensuring that all personnel who provide services at the Facility are appropriately licensed or certified as necessary and required by the State of Texas. Manager, or an Affiliate of Manager, shall: (i) recruit, employ, train, promote, direct, discipline, suspend, and discharge all personnel in compliance with all applicable Employment Laws; (ii) establish salary levels and personnel policies; and (iii) establish employee performance standards, as needed during the Term of this Agreement, to ensure the efficient operation of all departments within, and services offered by, the Facility. Manager shall engage a licensed physician, on behalf of Hospital District, to serve as Medical Director of the Facility, an Administrator, and a Director of Nursing, all of whom must be properly licensed and/or possess the appropriate education and experience in the long-term health care field. Manager, or an Affiliate of Manager, shall manage and administer all employees and provide all human resource services for employees at the Facility, including benefits for such employees. Manager, or an Affiliate of Manager, may employ all personnel directly or lease the personnel from other parties. Regardless of whether Manager or its Affiliate employs or leases the personnel, Manager or its Affiliate shall have complete control over such personnel and shall be responsible for recruiting, hiring, training, supervising, controlling and terminating or discharging all personnel. Manager or its Affiliate shall be responsible for fixing the compensation of all personnel providing services to the Facility, establishing all employee policies and ensuring that all personnel

who provide services at the Facility are appropriately licensed or certified as necessary and required by the State of Texas. Hospital District shall have no authority to hire, supervise, direct, train or control in any manner the personnel required to be provided by Manager or its Affiliate pursuant to this Section. None of the personnel provided pursuant to this Agreement or assigned to the Facility shall be employees of Hospital District.

- 3.1.2 Manager shall be responsible for defending and resolving any and all claims, suits, causes of action or charges brought by any employee of Manager or its Affiliate providing services to the Facility. The costs of defending and resolving any claims pursuant to this Section shall be treated as Operating Expenses and may be paid from Ordinary Revenue or Emergency Working Capital, or may be paid through any program of insurance or self-insurance that Manager shall establish from time to time.

#### **ARTICLE 4. TERM AND TERMINATION**

##### **4.1 Term**

This Agreement shall commence on the Commencement Date and, subject to Sections 4.2 and 4.3, shall expire on August 31, 2018 (the “Initial Term”). The Term shall be automatically extended for successive two (2) year periods (“Extended Terms”) unless terminated in accordance with Sections 4.2 through 4.3. The terms and conditions during any such Extended Term shall be the same as the terms and conditions during the Initial Term except for the terms of Article 5 which may be modified as mutually agreed to by the parties. This Agreement shall terminate upon termination of the Prime Lease or the Sublease for any reason. Any notice of termination of the Prime Lease or the Sublease will serve as sufficient written notice of termination of this Agreement.

##### **4.2 Termination by Hospital District**

This Agreement may be terminated by Hospital District as follows:

- 4.2.1 Immediately by Hospital District upon an Event of Default by Manager described in Sections 14.1.1 or 14.1.4;
- 4.2.2 Upon thirty (30) days prior written notice to Manager upon an Event of Default by Manager described in Sections 14.1.2, 14.1.3, or 14.1.5 that remains uncured;
- 4.2.3 Upon thirty-five (35) days prior written notice to Manager without cause.
- 4.2.4 If Hospital District terminates this Agreement upon an Event of Default pursuant to Section 4.2.1 or Section 4.2.2, after Hospital District has initiated one or more IGTs with respect to the Facility, then Manager shall pay Hospital District a termination fee equal to the amount of unreimbursed IGT(s) that Hospital District (i) has initiated before such notice of termination with respect to the Facility; and (ii) for which Hospital District does not receive Supplemental Payments or other full reimbursement as a result of the termination of this Agreement (the “Termination Fee”).

##### **4.3 Termination by Manager**

This Agreement may be terminated by Manager as follows:



- 4.3.1 Immediately by Manager upon an Event of Default by Hospital District described in Section 14.2.1 or upon the termination or expiration of the Sublease for any reason;
- 4.3.2 Upon thirty (30) days prior written notice to Hospital District if Manager or Prime Lessor receives any notice of default from any Lender under any credit agreement or loan agreement to which Manager or Prime Lessor is party with Lender and such Lender directs Manager to terminate the Sublease and this Agreement; **provided, however**, that if DADS approves a change of ownership of the Facility License and Medicaid provider agreement sooner than the termination date set forth in the notice required by this subsection, then this Agreement shall terminate on the effective date of such change of ownership;
- 4.3.3 Upon thirty (30) days prior written notice to Hospital District upon an Event of Default by Hospital District described in Section 14.2.2 or 14.2.3 that remains uncured; or
- 4.3.4 Upon thirty-five (35) days prior written notice to Hospital District without cause; provided, however, that if Manager terminates this Agreement without cause after Hospital District has initiated one or more IGTs with respect to the Facility, then Manager shall pay Hospital District the Termination Fee, if any.
- 4.3.5 Upon thirty-five (35) days written notice to Hospital District if QIPP is suspended for more than ninety (90) days or terminated for any reason. For avoidance of doubt, the termination of this Agreement based on the suspension or termination of the QIPP shall not be termination without cause.

4.4 Actions to be Taken Upon Termination

Upon any Termination of this Agreement, the following shall be applicable:

- 4.4.1 Manager shall, within sixty (60) Days after Termination of this Agreement, prepare and deliver to Hospital District a final accounting statement with respect to the Facility, in the format and containing the information as prescribed for the Annual Report in Section 7.5, along with a statement of any sums due from one party to the other pursuant hereto, dated as of the date of Termination (the "Final Accounting Statement"). The Final Accounting Statement is subject to audit and approval by Hospital District at its own expense. If Hospital District does not notify Manager in writing of exceptions to the Final Accounting Statement within thirty (30) days after receipt, then Hospital District shall be deemed to have approved the Final Accounting Statement. Within thirty (30) days after the approval by Hospital District of the Final Accounting Statement, the parties will reconcile any amounts in controversy and make whatever cash adjustments are reasonably necessary pursuant to such final statement. The cost of preparing the Final Accounting Statement, any audit thereof by Hospital District, and any mediation of amounts in controversy shall be an Operating Expense, unless the Termination occurs as a result of a Default by either party, in which case the defaulting party shall pay such costs. Manager and Hospital District acknowledge that there may be certain adjustments for which the information or funding is not available at the time of the Final Accounting Statement and the parties agree to readjust such amounts and make the necessary cash adjustments when such information becomes available; provided, however, that (except for ongoing disputes of which each party has received notice or legal claims for which the statute of limitations has not expired) all accounts shall be deemed final three (3) years after date of Termination;

- 4.4.2 The parties will transfer operations of the Facility as provided in Exhibit A to this Agreement (the “Termination Operations Transfer Agreement”);
- 4.4.3 Various other actions shall be taken as described in this Agreement; and
- 4.4.4 The provisions of this Section 4.4 shall survive any Termination.

4.5 Termination Payment

Termination of this Agreement shall not affect Hospital District’s obligation to pay Manager any Base Management Fees or Incentive Payments for periods prior to Termination. Upon Termination of this Agreement (i) all funds in the Facility Operating Account, (ii) any Ordinary Revenue and fifty percent (50%) of Net Operating Income attributable to periods prior to Termination that have not already been paid to Manager under the Agreement, and (iii) any Ordinary Revenue and fifty percent (50%) of any Net Operating Income received thereafter attributable to the operation of the Facility prior to Termination (collectively “Termination Funds”) shall be paid in accordance with the Final Accounting Statement and in the following order:

- 4.5.1 To pay Operating Expenses and Capital Expenditures that accrued prior to Termination;
- 4.5.2 To pay Hospital District: any Termination Fee due under Section 4.2.4 or 4.3.4; provided however, that Manager’s liability to pay Hospital District such amounts on Termination shall not be limited by the amount of Termination Funds remaining, if any, after payment of Operating Expenses
- 4.5.3 To pay Manager: all accrued but unpaid Base Management Fees and all accrued but unpaid Incentive Payments; provided, however, Hospital District's liability to pay Manager such amounts on Termination shall not exceed the amount of Termination Funds remaining, if any, after payment of Operating Expenses; and
- 4.5.4 To pay any amounts not paid under Section 4.5.1, 4.5.2, or 4.5.3 that remain due to Hospital District or Manager pursuant to the final reconciliation provided for in Section 4.4.1.

The reconciliation and timing of these payments will be completed as soon as practicable after Termination of this Agreement. The provisions of this Section 4.5 shall survive any termination of this Agreement.

**ARTICLE 5. COMPENSATION OF MANAGER**

5.1 Fees and Incentive Payments

- 5.1.1 In consideration of services to be performed hereunder, each month during the Term, Hospital District shall pay Manager a fee (the “Base Management Fee”), which shall be an Operating Expense, equal to (i) six percent (6%) of Ordinary Revenue recorded for such month and (ii) Surplus Working Capital recorded for such month. The amount of any Base Management Fee payment will be reduced by any payments for Operating Expenses, including payments under the Sublease, advanced by Hospital District out of funds other than Ordinary Revenue and not previously reimbursed by Manager.

5.1.2 In addition to the Base Management Fee, Hospital District shall pay Manager incentive payments (the “Incentive Payments”) that are equal to fifty percent (50%) of Net Operating Income.

5.1.3 For the avoidance of doubt, the fees described in this Section 5.1 shall be calculated in a manner consistent with the example set forth in Exhibit B attached hereto and incorporated herein by reference.

## 5.2 Payment of Fees and Incentive Payments

Hospital District shall pay Manager the Base Management Fee monthly in arrears on a pro rata basis in accordance with the cash management system described in Section 7.2. The final amount of the monthly Base Management Fee shall be calculated within five (5) business days after the closing of the previous month’s books. Hospital District shall pay Manager the Incentive Payments in accordance with the example calculation and timeline reflected in Exhibit B within five (5) business days after receipt of all monthly Net Operating Income. If there are insufficient Ordinary Revenue and Net Operating Income to pay the Base Management Fee or the Incentive Payments in any period, the shortfall shall accrue as a receivable to Manager and, for purposes of the Incentive Payments, shall be paid in accordance with Exhibit B; provided, however, upon Termination of this Agreement Hospital District’s liability for such receivable shall not exceed the limit on Hospital District’s liability set forth in Section 4.5.

## 5.3 Reconciliation Process

5.3.1 On a quarterly basis, or as otherwise agreed by the parties, Manager, with Hospital District’s cooperation, will calculate Total Net Revenue, Ordinary Revenue, the Base Management Fee, Operating Expenses, Incentive Payments, and Net Operating Income for the prior period and for the Fiscal Year.

5.3.2 Any payments or adjustments as may be necessary to “true up” following a reconciliation set forth in Section 5.3.1 shall be made within five (5) business days after the Parties agree to the reconciliation amounts. The reconciliation shall include any additional IGTs made by Hospital District to HHSC, or refunds of IGT from HHSC to Hospital District, including additional IGTs or refunds that occur as a result of unpaid premiums to the MCO, as well as the effect of such refunds on Net Operating Income and Incentive Payments.

5.3.3 After the Annual Report required by Section 7.5 is approved by Hospital District, Hospital District and Manager agree to make such payments or adjustments as may be necessary to “true-up” or correct any amounts that were paid during the Fiscal Year covered by the Annual Report, to the extent such payments exceed or are less than the amounts required pursuant to Sections 5.1 and 5.2, within five (5) business days after Hospital District approves the Annual Report. The Annual Report shall reflect any additional IGTs made by Hospital District to HHSC, or refunds of IGT from HHSC to Hospital District, including additional IGTs or refunds that occur as a result of unpaid premiums to the MCO, as well as the effect of such IGTs and/or refunds on Net Operating Income and Incentive Payments. Hospital District shall notify Manager promptly if it receives any requests for additional IGTs to be made to HHSC or refunds of IGT after Hospital District has approved the Annual Report. In that event, Manager shall prepare an amended Annual Report that includes the additional IGT and/or refund,

and Hospital District and Manager shall make additional true-up payments in accordance with the amended Annual Report.

5.3.4 Hospital District shall provide Manager with reasonable access to its books and records, including the confirmation of the amounts and timing of IGTs initiated on behalf of the Facility, sufficient to allow Manager to make the calculations required by Section 5.3.1 and the Annual Report.

5.4 Continuation of Certain Provisions of Original Management Agreement.

Notwithstanding any other provision of this Agreement, Article 5 of the Original Management Agreement, and any defined terms and Exhibits to the Original Management Agreement referenced therein, shall remain in effect and be applicable to any Supplemental Payments, IGT, IGT refunds and/or other amounts that Hospital District may transfer, pay and/or receive after the Commencement Date in connection with the Facility's participation in MPAP.

**ARTICLE 6. EMERGENCY WORKING CAPITAL, INVENTORIES AND SUPPLIES**

6.1 Emergency Working Capital

If Manager determines at any time, based on its good faith projections, that Ordinary Revenue will not be sufficient to satisfy all of the Facility's obligations as they come due (a "Working Capital Shortfall"), then Manager shall provide funds to meet the projected Working Capital Shortfall and shall transfer immediately available funds into the Facility Operating Account in an amount equal to the anticipated Working Capital Shortfall (the "Emergency Working Capital"). Manager shall be reimbursed for any Emergency Working Capital that Manager provides from future Ordinary Revenue.

6.2 Inventories and Supplies

As of the Commencement Date, the Facility will be stocked with Inventories and Supplies sufficient for the operation of the Facility in accordance with industry standards. Manager will maintain Inventories and Supplies at levels reasonably determined by Manager to be necessary to operate the Facility in compliance with the terms of this Agreement. Purchases of Inventories and Supplies shall be Operating Expenses.

**ARTICLE 7. BOOKKEEPING AND BANK ACCOUNTS**

7.1 Books and Records

7.1.1 Manager shall maintain, on behalf of Hospital District, all books and records relating to the operation of the Facility on an accrual basis in accordance with GAAP or such other basis as reasonably determined by the Manager and consistently applied and which shall not materially distort income or loss. Hospital District may examine and copy such records during Manager's normal business hours.

7.1.2 Manager shall comply with all Legal Requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement. Upon the written request of the Secretary of Health and Human Services, the Comptroller General or any of their duly authorized representatives, Manager will make available those

contracts, books, documents and records necessary to certify the nature and extent of the costs of providing services under the terms of this Agreement. Such inspection shall be available up to four (4) years after the rendering of such services. If Manager carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a 12-month period with a related individual or organization, Manager agrees to include this requirement in any such subcontract.

7.1.3 To the extent allowed by law, Hospital District shall own all licensure, Medicaid and Medicare certification records, documents, files, reports, work papers, and working documentation, electronic or otherwise, created in connection with the Facility during the Term of this Agreement, including but not limited to cost report and resident records, except that Manager's human resources records, including salary information for Manager's employees, internal administrative files and internal correspondence shall remain the property of Manager and shall not be disclosed to Hospital District. Manager shall be entitled to retain electronic or paper copies of all Facility records for its files. To the extent that any records are owned by a resident, Manager may have access to such records; however, Hospital District shall have the ultimate right to possess and control such records during the Term of this Agreement. Upon termination of this Agreement, Manager shall deliver such documents to the new operator and/or manager within thirty (30) days. Manager's use of any resident records shall expressly be subject to all Legal Requirements.

7.1.4 Notwithstanding any other provision of this Agreement, during the Term and for four (4) years thereafter or longer if otherwise required by Texas State Records Retention Schedules, Hospital District or any duly authorized representative(s), upon seven (7) days written notice, shall have unimpeded, prompt access for all purposes to any of Manager's books, documents, papers, and/or records, including but not limited to financial records of the Facility, that are maintained or produced in relation to the Facility. Further, Manager shall retain all records related to this Agreement for ten (10) years after final payment is made under this Agreement and all pending matters are closed. However, if any audit, litigation, or other action is commenced before the end of the ten (10) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the ten (10) year period, whichever is later. Notwithstanding the terms of this provision, however, the retention of any records by Manager shall be in accordance with all Legal Requirements, as well as the record retention policy promulgated by Manager. It is also agreed that following the termination of this Agreement, if either party is involved in any audit, litigation, or other action, such party shall have access to and the use of, as allowed by law, any and all records, files, documents, or other information as necessary to prepare for or defend itself in such actions, whether such records, files, or documents are in the possession of the other party or a successor operator or manager. The provisions of Section 7.1 shall survive termination of this Agreement.

## 7.2 Hospital District Bank Account, Facility Accounts, Expenditures

All Total Net Revenue derived from operation of the Facility shall be deposited into one or more designated accounts of Hospital District which shall at all times be segregated from other funds of Hospital District (the "Depository Accounts"). The Depository Accounts shall be the sole and exclusive property of Hospital District, and Manager shall have no interest therein; **provided, however,** that Manager's representatives shall be provided with log-in credentials sufficient to allow them to have on-line access to view all transactions posted to the Depository Accounts.

Hospital District shall not commingle the funds deposited in the Depository Accounts with any other funds of Hospital District. All other Facility non-patient related earnings and reasonable petty cash funds shall be maintained at the Facility. Manager and Hospital District shall develop a cash management system that provides for transfers of Ordinary Revenue from the Depository Accounts into an account or accounts that are the sole and exclusive property of Manager or its Affiliates and controlled by Manager or its Affiliates (the "Facility Operating Account") no less often than weekly and on the last business day of the month, or more frequently if agreed to by the parties; provided that such transfers shall meet all applicable legal requirements. Manager shall pay Facility Operating Expenses from funds deposited into the Facility Operating Account and from Emergency Working Capital. In the event that either party determines that an improper payment has been deposited into the Depository Accounts or Facility Operating Account, the party shall notify the other party, and the parties shall implement such actions as necessary to refund the improper payment within three (3) business days.

### 7.3 Annual Operating Budget

- 7.3.1 At least ninety (90) days prior to the beginning of each Fiscal Year during the Term, Manager shall, upon request, submit to Hospital District, for review and approval by Hospital District, a projection of the estimated financial budget for the operation of the Facility during the next Fiscal Year, including without limitation budgeted Total Net Revenue, Ordinary Revenue, Base Management Fees, Surplus Working Capital, Incentive Payments, Net Operating Income, and budgeted resident occupied bed days, in a format reasonably acceptable to Hospital District (the "Annual Operating Budget").
- 7.3.2 If Hospital District fails to approve the Annual Operating Budget prepared by Manager pursuant to Section 7.3.1 within thirty (30) days following Hospital District's receipt thereof, the Annual Operating Budget prepared by Manager shall be the annual operating budget for the budgeted Fiscal Year until such time as Hospital District approves the Annual Operating Budget.
- 7.3.3 In the event that Ordinary Revenue or Total Net Revenue is projected to change materially, the parties agree to meet and confer in good faith to establish an Annual Operating Budget that does not cause the impact of such change to unduly affect either party.

### 7.4 Interim Report

By the thirtieth (30th) day after the close of each calendar month, Manager shall furnish to Hospital District a report ("Interim Report") for the immediately preceding calendar month, in a format acceptable to Hospital District that includes, at a minimum, the following:

- (a) A statement of the actual and budgeted Total Net Revenue, Ordinary Revenue, Base Management Fees, Surplus Working Capital, Incentive Payments, and Operating Expenses for the calendar month and the period commencing at the beginning of the Fiscal Year through the end of such calendar month, and a statement of reconciliation pursuant to Section 5.3.1;
- (b) An aged schedule of accounts receivable;
- (c) An occupancy report by payor source;

- (d) A copy of the QAPI Validation Report;
- (e) A QIPP related quality metrics progress report;
- (f) Such other reports as may be reasonably requested from time to time by Hospital District; and

#### 7.5 Annual Report

By the one hundred twentieth (120th) day after the close of each Fiscal Year or such other date agreed to by the parties, Manager shall furnish to Hospital District a report ("Annual Report") for the immediately preceding Fiscal Year in a format acceptable to Hospital District that includes, at a minimum, the Total Net Revenue and Operating Expenses for the Facility for such Fiscal Year, the amounts payable pursuant to Section 5.2, and the following:

- (a) A statement of the actual and budgeted Total Net Revenue and Operating Expenses for the Fiscal Year and a statement of reconciliation pursuant to Section 5.3.1;
- (b) An aged schedule of accounts receivable;
- (c) An occupancy report by payor source;
- (d) Balance sheet; and
- (e) Such other reports as may be reasonably requested from time to time by Hospital District.

Hospital District agrees to cooperate with Manager and its independent accountants, if used, in connection with the preparation of the Annual Report. Manager agrees to cooperate with Hospital District and its independent accountants in connection with the audit of Hospital District's annual financial statements as it relates to the operations of the Facility.

#### 7.6 Hospital District Audit Rights

7.6.1 Hospital District shall have the right, in addition to performing an annual program and/or fiscal audit, to conduct a special or targeted audit, review or analysis of any aspect of the operation and finances of the Facility, using an auditor or other party of Hospital District's choice upon reasonable notice to Manager. The costs associated with performing any such audits, reviews or analyses shall be the responsibility of Hospital District.

7.6.2 Subject to the TEXAS PUBLIC INFORMATION ACT and no more than once during the Initial and any Extended Term of this Agreement, Manager shall have the right to conduct a special or targeted audit of the books and records of Hospital District relating to the MPAP or QIPP with respect to the Facility, using an auditor of Manager's choice, upon reasonable notice to Hospital District. The costs associated with performing such audits shall be the responsibility of Manager.

## **ARTICLE 8. REPAIRS, MAINTENANCE AND REPLACEMENTS**

### **8.1 Repairs and Maintenance**

Subject to the provisions of the Prime Lease, Manager shall be responsible for maintaining the building, grounds and equipment of the Facility as provided in this Agreement, the Sublease and the Prime Lease, including performing all routine and preventive maintenance. Hospital District shall have no maintenance and repair obligations with respect to the Facility. Manager shall, as an Operating Expense, keep and maintain the Facility and its equipment in good order, condition, and repair as required under the Prime Lease and/or Sublease and in order to comply with all Legal Requirements. Unless resulting from the gross negligence or intentional acts or omissions of Manager or Hospital District (in which case such costs, to the extent not covered by insurance, shall be paid by the responsible party and are not considered Operating Expenses), the cost of such maintenance, repairs and alterations shall be paid from Ordinary Revenue or Emergency Working Capital and shall be treated as an Operating Expense. If Manager fails to maintain and repair the Facility as provided herein, Hospital District may, on five (5) days prior notice (except that no notice shall be required in case of emergency) enter the Facility and perform such repair and maintenance on behalf of the Manager. In such case, Manager shall reimburse Hospital District for all reasonable costs so incurred immediately upon demand and such costs shall be considered Operating Expenses. Manager shall not permit any mechanic's or materialmen's lien upon or against the Facility which is caused by or resulting from any work performed, materials furnished or obligation incurred by, through or under Manager. If such a lien is filed upon or with respect to the Facility, Manager shall, within thirty (30) days after receiving notice of such lien, (i) cause such to be released of record or (ii) provide a sufficient bond for the purpose of perfection against said lien.

- 8.1.1 Manager shall use its best efforts to obtain all necessary warranty repairs on all equipment and improvements, ensuring they are completed prior to the expiration date on warranties.
- 8.1.2 Manager shall provide or arrange for full janitorial services including trash removal, extermination and pest control, facility-wide housekeeping, and facility-wide laundry services, including personal laundry service.
- 8.1.3 Manager shall maintain or arrange for the maintenance of the Facility grounds and shall keep or arrange to have them kept in an attractive condition, appropriate to the seasonal weather and the location's soil, water, climate and topography. Manager shall ensure that the grass, trees, bushes, shrubs, flowers and other plants are mowed, trimmed, clipped, watered and fertilized as seasonally appropriate. Furthermore, Manager shall sweep and clean all sidewalks and outside concrete or paved areas, keeping them free of trash and debris.
- 8.1.4 Manager shall hire or contract with skilled maintenance persons to perform regular maintenance on the building, grounds, equipment, and assets of the Facility.

## **ARTICLE 9. INSURANCE**

### **9.1 Property and Operational Insurance.**

Subject to the Prime Lease, during the Term of this Agreement, Manager shall provide, procure and maintain the following types of insurance with financially responsible insurance companies



reasonably acceptable to Hospital District and qualified to do business in the State of Texas or by an actuarially sound self-insurance vehicle reasonably acceptable to Hospital District:

- 9.1.1 Commercial General Liability Insurance. Commercial General Liability Insurance with limits of at least \$1,000,000 for each occurrence and \$3,000,000 in the aggregate and which limits may be satisfied by any combination of primary and excess or umbrella policies and self-insurance programs. The insurance required in this section shall be on forms reasonably acceptable to Hospital District and shall provide coverage on a claims made or occurrence basis for (i) claims involving contractual liability applicable to Manager's indemnification obligations described herein; and (ii) claims for bodily injury or death or property damage.
- 9.1.2 Professional Liability Insurance Coverage. Liability for injury, death, loss of service or otherwise on account of professional services (including satisfaction of all requirements for the Facility and its operations to be covered by the Texas Medical Malpractice Act) rendered or which should have been rendered by Manager or any person for which acts Manager is legally liable on account of injury, sickness or disease, including death at any time resulting therefrom, and including damages allowed for loss of service, and the costs to defend such actions brought against Hospital District in a minimum amount of \$250,000 per occurrence and \$750,000 in the aggregate. If such coverage is under a claims-made policy, Manager shall, at its expense, for a period of at least two years after termination of this Agreement continue such coverage naming Hospital District as an additional insured or purchase tail coverage insuring Hospital District. The provisions of this Section 9.1.2 shall survive termination of this Agreement.
- 9.1.3 Automobile Liability Insurance. Automobile Liability insurance, insuring for legal liability of Hospital District and Manager and caused by bodily injury, property damage, or personal injury arising out of the ownership or use of motor vehicles, including vehicles not owned by Hospital District, and including the costs to defend such actions brought against Hospital District with minimum limits of liability of \$1,000,000 per occurrence/aggregate combined single limit.
- 9.1.4 Property Insurance. Property Damage and business interruption insurance naming Prime Lessor/Manager as named insured, insuring for all risks of physical loss and loss of income or damage (excluding the perils of earthquake and flood, unless specifically required by a Lender) to the real property comprising the Facility, personal property of Manager used to maintain or service the Facility, and new construction, additions, alterations and repairs to structures. Such policy shall provide for claims to be paid based upon replacement value of the lost or damaged property, without deduction for depreciation, with an endorsement specifically providing for the replacement cost necessary to rebuild or restore the Facility in accordance with then existing fire, building and life safety codes; loss payment shall be to the Prime Lessor and Manager as their interests may appear. The coverage limits of such policy will be at least the replacement cost of the Facility (excluding the value of the land, site utilities, foundations and architectural and engineering expenses). The policy shall have a deductible of no greater than \$100,000 per occurrence. The policy shall waive any coinsurance provisions. Coverage shall be further extended to include debris removal.
- 9.1.5 Additional Insurance. Other insurance in amounts as required under the Prime Lease or that Hospital District and Manager agree is advisable for protection against their

respective malpractice liabilities, or other claims, liabilities and losses arising out of or connected in any manner with the operation of the Facility.

## 9.2 General Insurance Provisions

- 9.2.1 Except as otherwise provided, all insurance described in Section 9.1 shall be obtained by and be carried in the name of Manager and shall include Hospital District as an additional insured by endorsement or equivalent means under Manager's blanket insurance policies, provided that such blanket policies substantially fulfill the requirements specified herein. All insurance described in Section 9.1 shall be primary and non-contributory with respect to any other insurance or self-insurance that any additional named insured may maintain. Any property losses thereunder shall be payable to the respective parties as their interests may appear.
- 9.2.2 Manager shall deliver to Hospital District certificates of insurance with respect to all policies so procured. In the case of insurance policies about to expire, shall deliver certificates prior to such expiration with respect to the renewal thereof.

## 9.3 Cost and Expense

Insurance premiums, contributions to trust accounts or loss fund accounts and any other costs or expenses with respect to the insurance required under Section 9.1 shall be paid from Ordinary Revenue and shall constitute Operating Expenses. To the extent such premiums, contributions and costs relate to insurance regarding properties or risks other than the Facility, they may be allocated on an equitable basis to the Facility. Any reserves, losses, costs or expenses that are uninsured may be treated as a cost of insurance and shall be Operating Expenses.

## 9.4 Lease Requirements

Notwithstanding anything to the contrary in this Agreement, Manager shall also maintain insurance for the Facility as required under the terms of the Prime Lease and Sublease.

# ARTICLE 10. TAXES

## 10.1 Real Estate and Personal Property Taxes

All Impositions which become payable during the Term of this Agreement (or are properly allocable to such Term under GAAP) shall be paid by Manager from Ordinary Revenue or Emergency Working Capital as Operating Expenses before any fine, penalty, or interest is added thereto or lien placed upon the Facility. Hospital District shall, within ten (10) days after its receipt of any invoice, bill, assessment, notice or other correspondence relating to any Imposition, furnish Manager with a copy thereof. Manager will notify Hospital District not less than ten (10) days prior to the due date of any Imposition if insufficient Ordinary Revenue or Emergency Working Capital exists to pay the Imposition. Manager shall, within thirty (30) days of payment, furnish Hospital District with copies of official tax bills and assessments that Manager has received, and evidence of payment or contest thereof. Hospital District, or Manager, may initiate proceedings to contest any Imposition or apply for any applicable exemption to Impositions (in which case each party agrees to sign the required applications and otherwise cooperate with the other party in expediting the matter), and all reasonable costs of any negotiations or proceedings with respect to any such contest shall be paid from Ordinary Revenue or Emergency Working Capital and shall be an Operating Expense.

**ARTICLE 11. INTENTIONALLY OMITTED**

**ARTICLE 12. ACCESS AND USE OF FACILITY**

12.1 Access

During the Term of this Agreement, Manager shall have complete access to the Facility to the extent necessary to perform its obligations under this Agreement.

12.2 Use

12.2.1 Manager shall cause the Facility to be used solely for the operation of a nursing home consistent with the manner in which the Facility is being used as of the Effective Date, including all activities in connection therewith which are customary and usual to such an operation.

12.2.2 Manager shall comply with and abide by all Legal Requirements pertaining to the operation of the Facility, provided that: (i) all costs and expenses of such compliance shall be paid from Ordinary Revenue or Emergency Working Capital as Operating Expenses, and (ii) Manager shall have the right, but not the obligation, in its reasonable discretion, to contest or oppose, by appropriate proceedings, any such Legal Requirements. The reasonable expenses of any such contest shall be paid from Ordinary Revenue or Emergency Working Capital as Operating Expenses.

12.3 Hospital District's Right to Inspect

Notwithstanding any other provision in this Agreement to the contrary, Hospital District and its agents shall have complete access to the Facility at all times.

**ARTICLE 13. PROPRIETARY MARKS; SOFTWARE**

13.1 Proprietary Marks

During the Term of this Agreement, the Facility may be known by its current assumed business name, with such additional identification as may be necessary and agreed to by Hospital District and Manager to provide local identification. Upon Termination of this Agreement, any use of or right to use the Proprietary Marks by Hospital District shall immediately terminate. The right to use such Proprietary Marks belongs exclusively to Prime Lessor or Manager, and the use thereof inures to the benefit of Prime Lessor or Manager whether or not the same are registered and regardless of the source of the same.

13.2 Computer Software and Equipment

13.2.1 All Software and any additions thereto during the Term, including without limitation electronic health record software and health information exchange access rights, shall remain the exclusive property of Manager or one of its Affiliates, and Hospital District shall have no right to copy any Software.

13.2.2 Upon Termination of this Agreement, Manager shall have the right to retain, without compensation to Hospital District, all Software at the Facility.

## **ARTICLE 14. DEFAULT**

### **14.1 Default and Events of Default by Manager**

The following shall each constitute a “Default” by, and an “Event of Default” with respect to, Manager for purposes of this Agreement:

- 14.1.1 Manager: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to the Manager under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.
- 14.1.2 Manager fails to make any payment required to be made in accordance with the terms of this Agreement within twenty (20) days after such amount has become due and Manager has received written demand for such payment from Hospital District.
- 14.1.3 Manager commits any act or fails to take any action that is specifically identified as a “Default” or an “Event of Default” by Manager under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by Hospital District to Manager, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Manager commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.
- 14.1.4 The suspension, termination, revocation or loss of any License required by the Facility to operate as a nursing home that becomes a final agency action after waiver or exhaustion of all administrative and judicial review rights; provided, however, the suspension, termination, revocation or loss of any such License shall not constitute a Default or an Event of Default while Manager is pursuing its administrative and judicial review rights.
- 14.1.5 The failure by Manager to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by Hospital District to Manager, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Manager commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

### **14.2 Default and Events of Default by Hospital District**

The following shall each constitute a “Default” by, and an “Event of Default” with respect to, Hospital District for purposes of this Agreement:

- 14.2.1 Hospital District: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any

state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to Hospital District under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

14.2.2 Hospital District commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by Hospital District under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by Manager to Hospital District, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Hospital District commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

14.2.3 The failure by Hospital District to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by Manager to Hospital District, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Hospital District commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

#### 14.3 Remedies Upon an Event of Default

14.3.1 Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to pursue any one or more of the following courses of action: (i) to terminate this Agreement as provided in Article 4; and (ii) to institute any and all proceedings permitted by law or at equity, including, without limitation, actions for specific performance and/or damages.

14.3.2 Upon the occurrence of an Event of Default by either party, any amounts owed to the non-defaulting party shall accrue interest at an annual rate of twelve percent (12%), compounded annually, or the maximum non-usurious rate allowed by law, on the principal balance due commencing on the original due date of such payment through the date of payment.

14.3.3 The rights granted hereunder are intended to be cumulative, and shall not be in substitution for, but shall be in addition to, any and all rights and remedies available to the non-defaulting party (including, without limitation, injunctive relief and damages) by reason of applicable provisions of law or equity.

### **ARTICLE 15. INDEMNIFICATION AND HOLD HARMLESS**

#### 15.1 Loss; Indemnification by Manager

**MANAGER SHALL INDEMNIFY, DEFEND AND HOLD HOSPITAL DISTRICT AND ITS SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS AND AGENTS (EACH AN "INDEMNITEE") HARMLESS FROM AND AGAINST**

**ANY LOSS ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATED TO THE FOLLOWING, EXCEPT TO THE EXTENT FINALLY DETERMINED TO HAVE RESULTED SOLELY FROM THE ACTION OR INACTION OF HOSPITAL DISTRICT (TOGETHER WITH THE ITEMS DESCRIBED IN SECTION 15.2, EACH A "CLAIM"):**

- (i) A CLAIM ALLEGING THAT ANY OF THE MANAGER'S SERVICES OR DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY;**
- (ii) A BREACH OF, OR FAILURE TO PERFORM OR SATISFY ANY OF, THE REPRESENTATIONS, WARRANTIES AND COVENANTS MADE BY MANAGER IN THIS AGREEMENT, ANY EXHIBIT OR ATTACHMENT THERETO, THE OPERATIONS TRANSFER AGREEMENT, OR ANY OTHER AGREEMENT EXECUTED IN CONJUNCTION WITH THIS AGREEMENT;**
- (iii) THE NEGLIGENCE, GROSS NEGLIGENCE, FRAUD, RECKLESSNESS OR WILLFUL MISCONDUCT OF MANAGER OR ANY OF ITS OFFICERS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUBCONTRACTORS OR OTHER AGENTS IN CONNECTION WITH THIS AGREEMENT;**
- (iv) ANY VIOLATION OF ANY LEGAL REQUIREMENTS, TO THE EXTENT SUCH VIOLATION OCCURRED AS A RESULT OF ACTS OR OMISSIONS THAT MANAGER OR ITS EMPLOYEES OR AGENTS TOOK OR FAILED TO TAKE;**
- (v) A CLAIM BY AN EMPLOYEE OR CONTRACTOR OF MANAGER OR ITS AFFILIATE GOVERNED BY SECTION 3.1.2;**
- (vi) A CLAIM ALLEGING ANY VIOLATION OF ANY ENVIRONMENTAL LAWS REGARDING THE FACILITY OR ARISING FROM THE PRESENCE OF HAZARDOUS MATERIALS ON OR IN THE FACILITY;**
- (vii) ANY DEMANDS FOR REPAYMENT OF OVERPAYMENTS OR PAYMENT OF CIVIL MONETARY PENALTIES IN CONNECTION WITH ANY THIRD PARTY PAYOR, GOVERNMENTAL, MEDICARE OR MEDICAID MATTERS, INCLUDING WITHOUT LIMITATION ANY COST REPORT APPEALS, RUG AUDIT APPEALS, RESOURCE UTILIZATION GROUPS CIVIL MONEY PENALTIES, LICENSURE PENALTIES, AND ATTORNEY GENERAL CASE PENALTIES REGARDLESS OF WHETHER SUCH DEMAND ACCRUED BEFORE, DURING OR AFTER THE TERM OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT EXCEPT TO THE EXTENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE, FRAUD, RECKLESSNESS OR WILLFUL MISCONDUCT OF MANAGER UNDER MPAP OR QIPP OR IN CONNECTION WITH THE RECEIPT OF SUPPLEMENTAL PAYMENTS, MANAGER'S INDEMNIFICATION OBLIGATIONS, SOLELY WITH RESPECT TO ANY DEMANDS FOR REPAYMENT, PENALTIES IMPOSED, OR EXPENSES INCURRED IN CONNECTION WITH SUPPLEMENTAL PAYMENTS SHALL NOT EXCEED THE SUM OF THE INCENTIVE PAYMENTS PAID TO MANAGER UNDER THIS AGREEMENT AND MANAGER AND HOSPITAL DISTRICT SHALL SHARE EQUALLY IN THE COST**

**OF SUCH DEFENSE;**

- (viii) ANY CLAIM MADE BY REASON OF ANY INJURY OR DEATH TO ANY PERSON OR PERSONS, INCLUDING MANAGER, ITS EMPLOYEES, AGENTS, CONTRACTORS AND INVITEES, OR DAMAGE OR DESTRUCTION TO PROPERTY OF ANY KIND WHATSOEVER AND TO WHOMSOEVER BELONGING INCLUDING WITHOUT LIMITATION FROM ANY CAUSE OR CAUSES, WHILE IN, UPON OR IN ANY WAY CONNECTED WITH THE FACILITY; OR**
- (ix) ANY CLAIM OR CAUSE OF ACTION AGAINST OR LIABILITY OR OBLIGATION (ACTUAL OR ALLEGED), OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THE USE OR OPERATION OF THE FACILITY OR ANY OTHER BUSINESS OF MANAGER, OR ANY ACT OR OMISSION OF MANAGER, OR ANY OF ITS AGENTS, EMPLOYEES, OR OFFICERS, INCLUDING, WITHOUT LIMITATION, ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR RELATING TO ANY ACT OF MALPRACTICE.**

**15.2 INDEMNIFICATION BY HOSPITAL DISTRICT.**

**TO THE EXTENT PERMITTED BY LAW, HOSPITAL DISTRICT SHALL INDEMNIFY, DEFEND AND HOLD MANAGER AND ITS PARENT ORGANIZATIONS, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS AND AGENTS (EACH A "REPRESENTATIVE" AND TOGETHER WITH MANAGER, THE "MANAGER INDEMNITEES") HARMLESS FROM AND AGAINST ANY LOSS ARISING OUT OF, RESULTING FROM OR IN ANY WAY RELATED TO THE FOLLOWING CLAIMS, EXCEPT TO THE EXTENT FINALLY DETERMINED TO HAVE RESULTED SOLELY FROM THE ACTION OR INACTION OF MANAGER:**

- (i) A BREACH OF, OR FAILURE TO PERFORM OR SATISFY ANY OF, THE REPRESENTATIONS, WARRANTIES AND COVENANTS MADE BY HOSPITAL DISTRICT IN THIS AGREEMENT, ANY EXHIBIT OR ATTACHMENT THERETO, THE OPERATIONS TRANSFER AGREEMENT, OR ANY OTHER AGREEMENT EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OTHER THAN THE SUBLEASE;**
- (ii) THE NEGLIGENCE, GROSS NEGLIGENCE, FRAUD, RECKLESSNESS OR WILLFUL MISCONDUCT OF HOSPITAL DISTRICT OR ANY OF ITS OFFICERS, EMPLOYEES, INDEPENDENT CONTRACTORS, SUBCONTRACTORS OR OTHER AGENTS IN CONNECTION WITH THIS AGREEMENT;**
- (iii) THE NEGLIGENCE GROSS NEGLIGENCE, FRAUD, RECKLESSNESS OR WILLFUL MISCONDUCT OF HOSPITAL DISTRICT UNDER MPAP OR QIPP OR IN CONNECTION WITH THE RECEIPT OF SUPPLEMENTAL PAYMENTS.**
- (iv) ANY LOSS (AS DEFINED BELOW), INCLUDING LOSSES ARISING FROM RECOUPMENTS OR OTHER RECOVERY OF OVERPAYMENTS BY**

**MEDICARE, MEDICAID OR ANY OTHER THIRD PARTY PAYOR, AND ANY VENDOR HOLD OR OTHER DELAY IN PAYMENT ARISING FROM A FAILURE TO FILE TIMELY COST REPORTS, THAT ARISE FROM OR ARE RELATED TO SERVICES RENDERED BY OR THE OPERATION OF ANY NURSING FACILITY, HOSPITAL OR OTHER HEALTHCARE FACILITY OR BUSINESS OPERATION OWNED OR OPERATED BY OR LICENSED TO HOSPITAL DISTRICT THAT IS NOT MANAGED BY MANAGER OR MANAGER'S AFFILIATES.**

15.3 Loss.

"Loss" includes any liability, loss, recoupment of funds by any Governmental Authority, claim, demand, suit, cause of action, settlement payment, cost and expense, interest, award, judgment, damages (including punitive damages), diminution in value, liens, fines, fees, penalties, and Litigation Expense. "Litigation Expense" means any court filing fee, court cost, arbitration fee, and each other fee and cost of investigating or defending an indemnified claim or asserting any claim for indemnification or defense under this Agreement, including reasonable fees of attorneys and other professionals, and disbursements.

15.4 Notice.

15.4.1 Hospital District shall notify Manager in writing, and with reasonable promptness, of any Claim, or any event that may give rise to a claim against Manager for defense. If Hospital District fails to timely give notice, Manager is still obligated to indemnify, hold harmless and defend Hospital District upon receipt of written notice from Hospital District, to the extent set forth in this Agreement, except that Manager is not liable for any Loss that arises as a result of Hospital District's failure to provide Manager with timely notice of a Claim.

15.4.2 Manager shall notify Hospital District in writing, and with reasonable promptness, of any Claim, or any event that may give rise to a claim against Hospital District for defense. If Manager fails to timely give notice, Hospital District is still obligated to indemnify, hold harmless and defend Manager upon receipt of written notice from Manager, to the extent set forth in this Agreement, except that Hospital District is not liable for any Loss that arises as a result of Manager's failure to provide Hospital District with timely notice of a Claim.

15.4.3 Additionally, Manager shall notify Hospital District in writing, and with reasonable promptness, of any default related to (i) any mortgage related to the Facility; (ii) the Prime Lease; or (iii) any Material Contract related to the Facility.

15.5 Defense of Claim.

At the request of Hospital District, Manager shall conduct Hospital District's defense with respect to Claims described in Section 15.1, whether or not litigation is actually commenced or the allegations are meritorious. Manager shall employ counsel reasonably acceptable to Hospital District. All defense costs related to Claims described in Section 15.1 shall be Operating Expenses during the Term and Manager's expense thereafter. At its own option and sole expense, Hospital District may employ separate counsel to conduct Hospital District's defense against a Claim described in Section 15.1. Hospital District and Manager shall cooperate in the defense of any such Claim. So long as Manager is conducting the defense of any third party Claim described in Section 15.1 in



accordance with these requirements: (i) the Indemnitee shall not consent to the entry of any judgment or enter into any settlement with respect to the third party claim without the prior written consent of Manager, which consent shall not be unreasonably withheld, and (ii) Manager shall not consent to the entry of any judgment or enter into any settlement with respect to the third party claim without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld. At its own option and sole expense, Manager may employ separate counsel to conduct Manager's defense against a Claim described in Section 15.2.

#### 15.6 Payment and Survival.

All Losses incurred that are subject to indemnification hereunder shall be payable by Manager or Hospital District, as applicable, within thirty (30) days after a valid claim for indemnification is made by an Indemnitee or Manager Indemnitee, as applicable, in accordance with this Article 15. Any amount Manager is required to pay to indemnify an Indemnitee for any Claim described in Section 15.1 shall be deemed an Operating Expense during the Term and, Manager's expense thereafter. Any amount that Hospital District is required to pay to indemnify a Manager Indemnitee for any Claim described in Section 15.2 shall be Hospital District's expense. The provisions of this Article 15 shall survive the Termination or the expiration of this Agreement.

#### 15.7 Right to Offset.

Upon notice to either party stating the basis therefor, Hospital District may, in its sole discretion, provide Manager thirty (30) days' notice of their intent to deduct, set off, and make a claim for any amounts to which they may be entitled under Article 15 against the Total Net Revenue and any other amounts to which Manager may be entitled under this Agreement. Notice of the intent to deduct or seek a set off shall be accompanied by sufficient evidence of the basis of the claim so as to allow Manager an opportunity to address and cure the event giving rise to the claim for deduction of set off within such thirty (30) day period, then such additional period as shall be reasonable, provided Manager commences to cure such event within such thirty (30) day period and proceeds diligently to prosecute such event to completion. If Manager does not address and cure the event giving rise to the claim for deduction or set off within the thirty (30) day period, the Hospital District may deduct, set off, and make a claim for any amounts to which they may be entitled. The exercise of such right by any Indemnitee in good faith, whether or not ultimately determined to be justified, will not constitute a breach or default. Neither the exercise of nor the failure to exercise such right will constitute an election of remedies or limit Hospital District in any manner in the enforcement of any other remedies that may be available to it.

### ARTICLE 16. ASSIGNMENT

#### 16.1 Assignment

16.1.1 Except as provided below, neither Manager nor Hospital District shall assign or transfer its interest in this Agreement without the prior written consent of the other party which consent may not be unreasonably withheld, conditioned or delayed; provided that no consent shall be required for Manager to grant a security interest in this Agreement to a Lender. For purposes of this Agreement, the following shall be considered an assignment or transfer of this Agreement: (i) any assignment, transfer, sale or disposition of the majority of the ownership interest of Manager, voluntarily or involuntarily, by the parties who owned such interest on the Effective Date, (ii) any issuance of ownership interest of Manager that results in a change in the control of Manager, (iii) any merger, consolidation or other similar transaction to which Manager or Hospital District is a par-

ty, and (iv) any sale, lease or other transfer of Hospital District's primary acute care hospital to an entity that is not a non-state governmental entity.

16.1.2 In the event either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by either Hospital District or Manager of its interest in this Agreement shall not relieve Hospital District or Manager, as the case may be, from their respective obligations under this Agreement that accrued prior to the effective date of such assignment.

16.1.3 Manager may assign this Agreement, without Hospital District's prior written consent, to an Affiliate of Manager; **provided, however**, such assignment shall not relieve Manager from its obligations under this Agreement. Notwithstanding anything else to the contrary, a change of the officers and/or managers of Manager shall not constitute an assignment of this Agreement. Manager may delegate any of its obligations under this Agreement to an Affiliated Entity.

## ARTICLE 17. MISCELLANEOUS

### 17.1 Further Assurances

Except as specifically provided in this Agreement, Hospital District or Manager, as the case may be, shall cause to be executed and delivered to the other party all such other instruments and shall take or cause to be taken such further or other action as may reasonably and in good faith be deemed by the other party to be necessary or desirable in order to further assure the performance by Hospital District or Manager, as the case may be, of any of their respective obligations under this Agreement.

### 17.2 Confidentiality

The parties hereto agree that the matters set forth in this Agreement are strictly confidential and other than as may be required by applicable state open records law and/or securities laws and regulations, each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the written consent of the other party.

### 17.3 Consents

Wherever in this Agreement the consent or approval of Hospital District or Manager is required and the same is not expressly indicated to be as the sole discretion of a party, such consent or approval shall not be unreasonably withheld, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either Hospital District or Manager fails to respond within thirty (30) days to a request by the other party for a consent or approval, such consent or approval shall be deemed to have been given.

### 17.4 Applicable Law

This Agreement shall be construed under and shall be governed by the laws of the State of Texas, without regard to principles of conflict of laws.

17.5 Dispute Resolution

**THE PARTIES KNOWINGLY AND WILLINGLY WAIVE ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY AND ALL DISPUTES THAT MAY ARISE FROM THIS AGREEMENT OR THE OPERATION OF THE FACILITY.**

**Deleted:** Each party agrees that any dispute between the Parties that arises from this Agreement, or the operation of the Facility, including any action to interpret, construe or enforce this Agreement shall be resolved through binding arbitration in accordance with the Chapter 171 of the Texas Civil Practices and Remedies Code and the rules of the American Health Lawyers Association Alternative Dispute Resolution Service then in effect, or other nationally recognized alternative dispute resolution service that is mutually agreeable to the Parties. This provision shall not prohibit either Party from seeking any necessary injunctive relief from a court of competent jurisdiction in connection with any dispute arising from this Agreement or the operation of the Facility.

17.6 Headings

Headings of Articles and Sections are inserted only for convenience and in no way limit the scope of the particular Articles or Sections to which they refer.

17.7 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth (5<sup>th</sup>) business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses (or at such other address that a party may specify by notice given in accordance with this Section):

If to Hospital District, to:

Winnie-Stowell Hospital District  
Edward Murrell  
Chairman, Winnie Stowell Hospital District  
P.O. Box 1997  
Winnie, Texas 77662  
Attn: CEO

If to Manager:

Clairmont Beaumont, LLC  
c/o Genesis Administrative Services, LLC  
101 E. State Street  
Kennett Square, PA 19348  
Attn: General Counsel

Notwithstanding anything else to the contrary, any notice or communication is deemed duly given upon actual receipt by the party to whom such notice is addressed, regardless of the method of delivery.

17.8 HIPAA Compliance

The parties agree that the services provided under this Agreement will comply in all material respects with all federal and state-mandated regulations, rules, or orders applicable to the services provided herein, including but not limited to regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-91) ("HIPAA") and Title 2, Section I, Chapter 181 of the Texas Medical Records Privacy Act. Furthermore, the parties shall amend this Agreement or execute any additional documentation necessary to conform with HIPAA, the Texas Medical Records Privacy Act, or any new or revised legislation, rules, and regulations to which they are subject now or in the future, including, without limitation,

the Standards for Privacy of Individually Identifiable Health Information or similar legislation in order to ensure that the parties are at all times in conformance with all such laws. In furtherance of the foregoing, the parties executed a HIPAA Business Associate Agreement in connection with the execution of the Original Management Agreement, and the parties agree that such HIPAA Business Associate Agreement remains in effect notwithstanding any provision of this Agreement to the contrary.

17.9 Estoppel Certificates

Each party to this Agreement shall at any time and from time to time, upon not less than ten (10) days' prior notice from the other party, execute, acknowledge and deliver to such other party, or to any third party specified by such other party, a statement in writing: (i) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications); (ii) stating whether or not to the best knowledge of the certifying party: (a) there is a continuing Default by the non-certifying party in the performance or observance of any covenant, agreement or condition contained in this Agreement; or (b) there shall have occurred any event which, with the giving of notice or passage of time or both, would become such a Default, and, if so, specifying each such Default or occurrence of which the certifying party may have knowledge; and (iii) stating such other information as the non-certifying party may reasonably request. Such statement shall be binding upon the certifying party and may be relied upon by the non-certifying party and/or such third party specified by the non-certifying party as aforesaid. The obligations set forth in this Section 17.8 shall survive Termination (that is, each party shall, on request, within the time period described above, execute and deliver to the non-certifying party and to any such third party a statement certifying that this Agreement has been Terminated).

17.10 Entire Agreement

This Agreement, together with other writings signed by the parties which are expressly stated to be supplemental hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only by a writing signed by both parties hereto.

17.11 Waiver

The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

17.12 Partial Invalidity

If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on Manager or Hospital District, or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement.

17.13 Construction

No provisions of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this Agreement.

17.14 Limit on Recourse

Hospital District's and Manager's obligations under this Agreement are without recourse to any director, manager, officer, employee, member, or agent of Hospital District or Manager, respectively.

17.15 Disclaimer

None of the services or assistance offered to Hospital District by Manager, or payments made to the Manager, shall in any manner be construed as an inducement for the referral of any patients or for the arrangement of any services covered under a Federal healthcare program. The parties do not intend the terms of this Agreement to provide for, and nothing in this Agreement shall be deemed or in any manner construed to be, the solicitation, receipt, offer or payment of remuneration for the furnishing of any item or service for which payment may be made in whole or in part under a Federal healthcare program, or in return for purchasing, leasing, ordering or arranging for, or recommending purchasing, leasing, ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal healthcare program. Such services and assistance are wholly intended to improve the delivery of health care services to the population and communities served by the parties, and are provided in a manner so as to confer a benefit on those communities. In the event any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision, a regulatory agency or legal counsel in such a manner as to indicate that the structure of this Agreement may be in violation of such laws or regulations, Hospital District and Manager shall attempt in good faith to amend this Agreement as necessary. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangement between Hospital District and Manager.

17.16 Authority

Each individual who has signed this Agreement warrants that such execution has been duly authorized by the party for which he or she is signing.

17.17 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original. Executed counterparts may be delivered by facsimile (and/or Adobe ® PDF), and shall be effective when received, with the original copy sent by overnight delivery service. This Agreement shall be of no force or effect unless and until it has been executed and delivered by both parties.

*Signature Page Follows*

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

**HOSPITAL DISTRICT:**  
Winnie-Stowell Hospital District,  
A Texas Hospital District

By: \_\_\_\_\_  
Printed: Edward Murrell  
Title: Chairman, Winnie Stowell Hospital District

**MANAGER:**  
Clairmont Beaumont, LLC,  
A Delaware limited liability company

By: \_\_\_\_\_  
Printed: Michael Berg  
Title: Assistant Secretary

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## EXHIBIT A

### (to the Management Agreement)

#### TERMINATION OPERATIONS TRANSFER AGREEMENT

Hospital District and Manager agree to perform the following in conjunction with any termination of the Management Agreement (the "Agreement").

#### ARTICLE 1. DEFINITIONS

Unless otherwise specifically defined in this Exhibit A, capitalized terms shall have the meaning ascribed to them in the Agreement. In addition to the other terms defined in this Exhibit A, the following terms shall have the meanings set forth in this Article 1, except as the context otherwise clearly requires:

1.1 "Accounts" means all Pre-Transfer Accounts and Post-Transfer Accounts.

1.2 "Assets" means all Resident records and admission agreements and Provider Agreements.

1.3 "License" shall mean and refer to a current and valid operating license issued by DADS permitting the Facility's operation as a nursing facility.

1.4 "Resident Trust Property" means and includes any and all resident trust funds and other property held by Hospital District immediately prior to the Transfer Date for past residents or Residents of the Facility.

1.5 "Post-Transfer Accounts" means all revenues, monies, accounts, payments and other proceeds arising from or related to the operation of the Facility, including without limitation Medicaid-related general intangibles and any other third party payor reimbursements, together with the products and proceeds of all of the foregoing, attributable to the provision of resident services by Manager on or after the Transfer Date.

1.6 "Pre-Transfer Accounts" means all revenues, monies, accounts, payments and other proceeds arising from or related to the operation of the Facility, including without limitation Medicare and Medicaid-related general intangibles and any other third party payor reimbursements, together with the products and proceeds of all of the foregoing, attributable to the provision of resident services by Hospital District before the Transfer Date.

1.7 "Transfer Date" shall be and mean 12:00:01 A.M. central time on the effective date of termination of the Agreement.

#### ARTICLE 2. TRANSFER OF OPERATIONS AND ASSETS

2.1 Transfer of Assets and Operations. Hospital District will convey, assign and deliver to Manager the Assets and all of Hospital District's right, title and interest in and to the business operations of the Facility, effective as of the Transfer Date, by execution and delivery of a Bill of Sale in substantially the form and substance as attached hereto as Exhibit A-1.

2.2 Hospital District shall execute, deliver and file all documents and statements requested by Manager and necessary to effectuate a transfer of the Facility License, Medicaid and Medicare certifica-

tions and all other licenses, permits, certifications or approvals necessary to operate the Facility (the "Permits") to Manager or a successor operator designated by Manager ("Replacement Operator"), subject to required approval of any Governmental Authority. Subject to applicable laws, Hospital District further shall provide to Manager or the Replacement Operator all information and records reasonably requested by either of them that are within Hospital District's possession or control in connection with the transfer of the Permits.

2.3 In order to facilitate an efficient transfer of the operations of Facility, Hospital District shall, if and to the extent requested by Manager, Prime Lessor or any Lender, (A) deliver copies of all Permits and the most recent reports and notices pertaining to the Facility to Manager or the Replacement Operator; (B) continue and maintain the operation of the Facility in the ordinary course of business, including, without limitation, the retention of all residents at the Facility to the fullest extent commercially reasonable and consistent with the medical needs of such residents until Termination of the Agreement or DADS approval of a change of ownership of the Facility License and Medicaid Provider Agreement, whichever first occurs; (C) enter into such operation transfer agreements, management agreements, and other agreements as may be reasonably requested by Manager until Termination of the Agreement or DADS approval of a change of ownership of the Facility License and Medicaid Provider Agreement, whichever first occurs; and (D) subject to applicable laws, provide continued access to Manager, Prime Lessor and if applicable any Lender, or their agents to show such Facility to potential Replacement Operators. Hospital District hereby consents to the disclosure by Manager to potential Replacement Operators of the Facility's financial statements, licensure reports and surveys, financial and property due diligence materials and other documents, materials and information relating to the Facility which a potential Replacement Operator would reasonably desire to review in determining whether to operate the Facility.

2.4 Best Efforts. Manager will proceed in due course to acquire, effective as of the Transfer Date: (a) an operating license from DADS, (b) the transfer or assignment of the Medicare Provider Agreement or issuance of a new Medicare Provider Agreement in the name of Manager or a Replacement Operator pursuant to all applicable laws and regulations regarding the same, and (c) the transfer or assignment of the Medicaid Provider Contract or issuance of a new Medicaid Provider Contract in the name of Manager or a Replacement Operator, pursuant to all applicable Legal Requirements regarding the same.

2.5 Medicare and Medicaid Provider Agreements. Hospital District and Manager acknowledge and agree that in the event, pursuant to 42 C.F.R. §§ 442.14(a) and 489.18(c), Hospital District's Medicare and Medicaid Provider Agreements can be assigned to Manager or a Replacement Operator, Hospital District will, to the extent permitted by law, assign the Medicare and Medicare Provider Agreements and all of Hospital District's rights thereunder to Manager or a Replacement Operator, and Hospital District further agrees to promptly provide such letters, consents, verifications, information and other documents, as necessary and required by applicable law or regulation, to Manager, CMS and any fiscal intermediary, DADS, and/or any other Governmental Authority having jurisdiction of the Facility, the License, the Medicare or Medicaid Provider Agreements as may be reasonably requested or required to effectuate the transfer or assignment of the same.

2.6 Cooperation. Each party agrees to cooperate with the other in effecting a change in operation of the Facility for the purposes of licensing and certification in order to ensure the continuous and uninterrupted operation of the Facility as a licensed skilled nursing facility. Hospital District agrees not to take any action or commit any omission that would result in the termination or suspension of the existing License or provider agreements.

### ARTICLE 3. RESIDENT TRUST FUNDS & OTHER PROPERTY



3.1 Accounting for Resident Trust Property. As of the Transfer Date, Manager, on behalf of Hospital District, shall prepare, and if required deliver to DADS, an accounting of all Resident Trust Property. Within five (5) days of receipt of the final bank statement for the Resident trust account(s), Manager shall prepare a final accounting which shall be a true, correct, and complete accounting of all Resident Trust Property.

3.2 Transfer of Resident Trust Property. On the Transfer Date, Hospital District shall transfer to Manager or a Replacement Operator all Resident Trust Property held by Hospital District. If the final accounting reflects that any additional adjustments are needed to the initial transfer between Hospital District and Manager, such adjustments shall be made within three (3) business days of the final accounting.

3.3 Indemnification for Resident Trust Property. In addition to Manager's indemnification obligations as stated in the Agreement, Manager will indemnify, defend and hold Hospital District harmless for, from and against all liabilities, claims and demands, including reasonable attorneys' fees and costs, in the event a claim is made against Hospital District by a Resident for his/her Resident Trust Property where such Resident's funds or other property were properly transferred to Manager pursuant to the terms hereof.

#### ARTICLE 4. RECEIVABLES, REIMBURSEMENTS & OPERATING EXPENSES

4.1 Hospital District's Cost Reports. Manager, on behalf of Hospital District, shall at its own expense, timely prepare and file with CMS and the State Medicaid agency cost reports for the period up to the Transfer Date. Manager will provide the appropriate agencies with any information needed to support claims for reimbursement made in the name of Hospital District either in such final cost reports or in any cost reports filed for prior or subsequent cost reporting periods. Manager shall promptly provide Hospital District with copies of such reports and supporting documentation. Hospital District shall cooperate fully with Manager in preparation and execution of such cost reports. Manager shall complete cost reports and provide them to Hospital District for review and execution at least ten (10) days prior to the required deadline for filing the cost reports. Hospital District shall be deemed to have approved the cost reports unless Hospital District notifies Manager of any questions or changes to the cost reports within such seven (7) day period. Hospital District shall provide Manager with signed certification statements for cost reports at least one day before the deadline for Manager to file such reports. Hospital District hereby irrevocably appoints Manager as its agent and attorney in-fact for such purpose, to prepare, file, and otherwise process such cost reports in Hospital District's name and behalf. Hospital District shall cooperate fully with Manager in the preparation, filing and processing of the cost reports.

#### 4.2 Accounts Receivable.

4.2.1 Schedule of Pre-Transfer Accounts. Manager shall prepare a complete, correct resident roster with account status, responsible party, payor source and agings not less than thirty (30) days prior to the Transfer Date, and shall update such roster as of the Transfer Date.

4.2.2 Pre-Transfer Accounts Receivable. All unpaid Pre-Transfer Accounts, including but not limited to accounts receivable arising from rate adjustments which relate to periods prior to the Transfer Date even if such adjustments occur after the Transfer Date, any overpayments (including without limitation recapture of pass-throughs) made to Hospital District for periods prior to the Transfer Date for which payment is due to (or for which subsequent reimbursements are offset or denied by) Medicare, Medicaid or any other third party payor after the Transfer Date shall be allocated to Pre-Transfer Operating Revenue and shall be handled according to the Agreement.

4.3 Handling of Receipts. Payments received after the Transfer Date from third party payors, such as Medicare, Medicaid, VA, managed health organizations and insurers, shall be handled as follows:

4.3.1 To the extent such payments indicate on the accompanying remittance advice that they relate to periods prior to the Transfer Date, such payments will be deemed to be Pre-Transfer Accounts. If such payments indicate on the accompanying remittance advice that they relate to periods on or after the Transfer Date, they shall be deemed to be Post-Transfer Accounts.

4.3.2 If such payments fail to indicate the period to which they relate, then all such unidentified payments received within thirty (30) days following the Transfer Date shall be deemed to relate to the covered Resident's unpaid Pre-Transfer Accounts (if any), and unidentified payments received thereafter shall be deemed to relate to Post-Transfer Accounts.

4.4 Private Pay. Any payment received during the first sixty (60) days after the Transfer Date for a private pay Resident, Medicaid resident liabilities, or uncovered charges, which fails to designate the period to which it relates, will first be applied to reduce the Resident's Pre-Transfer Account balances (if any), with any excess applied to reduce any balances due for services rendered by Manager after the Transfer Date. Thereafter all non-designated payments will first be applied to any Post-Transfer Account balances, with the excess applied to balances due for services rendered prior to the Transfer Date, if any.

4.5 Cooperation in Processing of Medicare and Medicaid Claims. If necessary, Manager and Hospital District agree to provide each other, upon request and in a timely manner, with copies of all Medicare and Medicaid reimbursement requests pertaining to the Facility submitted to any Medicare or Medicaid fiscal intermediary whether before or after the Transfer Date. Each party agrees to take all reasonable steps to assist the other in processing Medicare and Medicaid claims and obtaining Medicare and Medicaid payments for services rendered (i) in the case of Manager, from and after the Transfer Date, and (ii) in the case of Hospital District, prior to the Transfer Date.

4.6 Operating Expenses. All Pre-Transfer Operating Expenses shall be handled according to the Agreement. Any Pre-Transfer Operating Expenses not covered by insurance and not paid as of the Transfer Date shall be the responsibility of the Manager.

## ARTICLE 5. PRORATIONS

5.1 Prorations. Revenues and expenses pertaining to water, electricity, sewer, gas, telephone and other charges for the billing period(s) in which the Transfer Date occurs, real and personal property taxes, prepaid expenses and other related items of revenue or expense shall be prorated between Hospital District and Manager as of the Transfer Date.

5.2 Calculation. All such prorations shall be made on the basis of actual days elapsed in the relevant accounting or revenue period and shall be based on the most recent information available. Without limiting the foregoing, water, electricity, sewer, gas, telephone and other utility charges shall be based, to the extent practicable, on final meter readings and invoices covering the period of time through the Transfer Date. Utility charges which are not metered and read on the Transfer Date shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefore.

## ARTICLE 6. RECORDS

6.1 Delivery of Records. On the Transfer Date, Hospital District shall release to Manager all of the records for current residents, employee records and other relevant records used or developed in connection with the business conducted at the Facility, and all licenses, agreements, records, reports and

information reasonably necessary to continue care for residents at the Facility after the Transfer Date. With respect to resident information, such transfer and delivery shall be in accordance with all applicable laws, rules and regulations governing the transfer of medical and other resident records.

#### ARTICLE 7. INDEMNIFICATION

7.1 **MANAGER. IN ADDITION TO MANAGER'S INDEMNIFICATION OBLIGATIONS AS STATED IN THE MANAGEMENT AGREEMENT AND WITHOUT LIMITING ITS OTHER DUTIES AND OBLIGATIONS HEREUNDER, MANAGER AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS HOSPITAL DISTRICT FOR, FROM AND AGAINST ANY AND ALL LOSS, COSTS, LIABILITIES AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS, WHICH IT MAY INCUR AS A RESULT OF THE OPERATION OF THE FACILITY FROM AND AFTER THE TRANSFER DATE, INCLUDING WITHOUT LIMITATION, ANY USE BY MANAGER OF HOSPITAL DISTRICT'S PROVIDER NUMBERS FROM AND AFTER THE TRANSFER DATE; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS IMPOSING ANY LIABILITY ON MANAGER TO INDEMNIFY, DEFEND OR HOLD HARMLESS HOSPITAL DISTRICT WITH RESPECT TO HOSPITAL DISTRICT'S OWN ACTS OR OMISSIONS FROM AND AFTER THE TRANSFER DATE.**

**EXHIBIT A-1**

**FORM OF**

**BILL OF SALE**

Effective \_\_\_\_\_, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, WINNIE-STOWELL HOSPITAL DISTRICT, a Texas Hospital District ("Seller"), hereby grants, bargains, sells, conveys, assigns and transfers to Clairmont Beaumont, LLC, a Delaware limited liability company ("Buyer"), and its successors and assigns, all of Seller's right, title and interest in and to all Resident records and admission agreements, hospital transfer agreements and provider agreements owned or used by Seller in connection with the operation of Clairmont Beaumont, located in Beaumont, Texas (the "Assets") TO HAVE AND TO HOLD, all and singular, for Buyer's use and benefit. the Assets are transferred in their "AS IS, WHERE IS" condition, without any representation or warranty of any kind.

Dated as of \_\_\_\_ day of \_\_\_\_\_, 201\_.

WINNIE-STOWELL HOSPITAL DISTRICT,  
a Texas Hospital District

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT B**

**EXAMPLE OF FEE CALCULATION**

(See Attached)

# Exhibit “H-2”



# Exhibit “I”



## SECOND AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT

THIS FIRST AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is effective as of September 1, 2017 (“Effective Date”), by and between Winnie-Stowell Hospital District, a governmental entity and body politic established pursuant to Chapter 286 of the Texas Health & Safety Code, as amended (“Operator”), and LTC Group, LLC, a Texas limited liability company (“LTC Group”).

### RECITALS

WHEREAS, Operator is engaged in the business of, among other things, operating licensed health care facilities, and LTC Group is engaged in the business of providing certain financial, operational and clinical review and other professional services to licensed health care facilities;

WHEREAS, Operator has entered into leases of the real property (the “Leases”) associated with the licensed health facilities listed in Exhibit A, attached hereto and incorporated herein (each, a “Facility”);

WHEREAS, Operator has entered into management agreements (the “Management Agreements”) with certain entities (each, a “Manager”) under which Manager will manage the Facility on behalf of Operator;

WHEREAS, Operator desires to engage LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator and LTC Group desires to provide such services for the Facility on behalf of Operator in accordance with the terms and conditions of this Agreement;

WHEREAS, Operator previously engaged LTC Group to provide certain financial, operational and clinical review services for the Facilities on behalf of Operator in accordance with the terms and conditions of Professional Services Agreements for each Facility (the “Original Services Agreements”);

WHEREAS, Operator and LTC Group now desire to amend and restate the Original Services Agreements as hereinafter set forth;

NOW THEREFORE, for and in consideration of the execution of this Agreement and of the mutual covenants and agreements herein contained, the parties hereby enter into this First Amended and Restated Professional Services Agreement and in so doing, completely supersede and replace the Original Services Agreements, and covenant and agree as follows:

### ARTICLE 1. DEFINITION OF TERMS

The following terms when used in this Agreement shall have the meanings indicated:

“Governmental Authority” shall mean any court or any federal, state, or local legislative body or governmental municipality, department, commission, board, bureau, agency or authority, including without limitation, the Centers for Medicare and Medicaid Services (“CMS”), the Texas Health and Human Services Commission (“HHSC”), the Texas Department of Aging and Disability Services (“DADS”), but not including Operator.

“License” means any license, permit, decree, act, order, authorization or other approval or instrument which is necessary in order to operate the Facility in accordance with legal requirements or otherwise in accordance with this Agreement.

“Term” means the Initial Term plus any Extended Term.

## **ARTICLE 2. ENGAGEMENT OF LTC GROUP**

### **2.1 Engagement.**

2.1.1 Upon the terms and subject to the conditions of this Agreement, Operator hereby engages LTC Group to provide certain financial, operational and clinical review services for the Facility on behalf of Operator commencing on the Effective Date. Said financial, operational and clinical review services are listed and attached hereto as Exhibit B (collectively, the “Services”).

2.1.2 The performance of all activities by LTC Group hereunder shall be on behalf of Operator for the benefit of Operator. By entering into this Agreement, Operator does not delegate to LTC Group any powers, duties or responsibilities that Operator is not authorized by law to delegate. Operator retains all other authority and control that has not been expressly delegated to LTC Group pursuant to this Agreement. Notwithstanding anything in this Agreement to the contrary, LTC Group shall not have the ability, acting alone or in concert with others, to directly or indirectly influence, direct or cause the direction of the management, expenditure of money, or policies of the Facility.

2.2 Authority and Responsibility of LTC Group. In the performance of its duties hereunder, LTC Group shall be and act as an independent contractor, with the sole duty to provide the Services for the benefit of Operator and subject to the ultimate authority and control of Operator and other restrictions described herein. Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment relationship, or otherwise to create any liability for one party with respect to indebtedness, liabilities or obligations of the other party except as otherwise may be expressly set forth herein.

2.3 Licenses and Permits. Operator shall at all times from and after the Effective Date and during the Term of this Agreement be solely responsible for obtaining and maintaining all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility. Operator shall be solely responsible for all reporting and other requirements necessary to obtain and maintain all Licenses, permits, qualifications, certifications, and approvals from any applicable governmental agency required for the operation of the Facility.

### **2.4 Representations and Warranties.**

2.4.1 Operator represents and warrants to LTC Group as follows:

- (a) Operator is a hospital district established under the laws of the State of Texas.
- (b) Operator has full power and authority to enter into this Agreement and to carry out its obligations set forth herein. Operator has taken all action required by law, its organizational documents, or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of Operator enforceable in accordance with its terms, except that such enforcement

may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding may be brought.

- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of Operator; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which it is bound.

2.4.2 LTC Group represents and warrants to Operator as follows:

- (a) LTC Group is a Texas limited liability company duly organized, validly existing and in good standing under the laws of the State of Texas.
- (b) LTC Group has full power and authority to enter into this Agreement and to carry out its obligations as set forth herein. LTC Group has taken all action required by law, its organizational documents or otherwise to be taken to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby. This Agreement is a valid and binding agreement of LTC Group enforceable in accordance with its terms, except that such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditor's rights, and the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.
- (c) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any provision of the organizational documents of LTC Group; (ii) violate any statute or law, or any judgment, decree, order, regulation or rule of any court or Governmental Authority, or (iii) violate any agreement to which LTC Group is a party or by which LTC Group or any of its properties are bound.

### ARTICLE 3. TERM AND TERMINATION

- 3.1 Term. This Agreement shall commence on the Effective Date and, subject to Sections 3.2 and 3.3, shall expire on August 31, 2018 (the "Initial Term"). The term shall be automatically extended for successive one (1) year periods ("Extended Terms") unless (i) Operator provides at least thirty (30) days' written notice prior to the expiration of the Initial Term or any Extended Term, or (ii) the Agreement is terminated in accordance with the provisions of Sections 3.2 through 3.3. At the expiration of the Initial Term or any Extended Term, Operator and LTC Group desire and agree to use good faith efforts to negotiate mutually acceptable and reasonably appropriate modifications to the Agreement to address a change in any law, regulation, rule or reimbursement level, state or federal. Except as otherwise agreed to by the parties, the terms and conditions during any such Extended Term shall be the same as the terms and conditions during the Initial Term, provided that the terms of Article 4 may be modified. Notwithstanding any other provision, this Agreement shall terminate upon the termination of the Management Agreement.

Deleted: 4

- 3.2 For Cause Termination by Operator. This Agreement may be terminated by Operator as follows:
- 3.2.1 Immediately by Operator upon an Event of Default by LTC Group described in Sections 8.1.1; or
  - 3.2.2 Upon thirty (30) days written notice to LTC Group upon an Event of Default by LTC Group described in Sections 8.1.2 or 8.1.3 that remains uncured;
- 3.3 For Cause Termination by LTC Group. This Agreement may be terminated by LTC Group as follows:
- 3.3.1 Immediately by LTC Group upon an Event of Default by Operator described in Sections 8.2.1; or
  - 3.3.2 Upon thirty (30) days prior written notice to Operator upon an Event of Default by Operator described in Section 8.2.2 or 8.2.3 that remains uncured.
- 3.4 Termination Payment. Upon Termination of this Agreement, Operator shall pay LTC Group all accrued but unpaid Services Fees. The reconciliation and timing of these payments will be completed as soon as practicable after Termination of this Agreement. The provisions of this Section 3.4 shall survive any termination of this Agreement.

**Deleted:** <#>Upon thirty (30) days written notice of the District's intent to terminate for any reason by the Operator to the LTC Group before the end of the term; ¶

**ARTICLE 4. COMPENSATION**

- 4.1 Fees and Incentive Fees. In consideration of services to be performed hereunder, LTC Group shall be eligible to receive a Services Fee as described in Exhibit A. The Services Fee shall be payable monthly.
- 4.2 Fair Market Value. The parties agree that the compensation provided herein has been determined in arm's length bargaining and is consistent with fair market value as determined by a third party.

**ARTICLE 5. BOOKKEEPING AND BANK ACCOUNTS**

- 5.1 Access to Books and Records.
  - 5.1.1 LTC Group agrees to comply with all legal requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, LTC Group and any of its affiliates providing services with a value or cost of \$10,000 or more over a twelve-month period shall make available to the Secretary the contract, books, documents, and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four years after the rendering of such services. The Parties agree that any applicable attorney-client, accountant-client, or other legal privilege shall not be deemed waived by virtue of this Agreement. This section is included and is governed by the requirements of 42 U.S.C. Section 1395x(v)(1) and the regulations thereto.
  - 5.1.2 LTC Group acknowledges that all records are and shall remain the property of Operator, subject to such access and review by LTC Group as permitted by applicable law.

## ARTICLE 6. INSURANCE

- 6.1 Property and Operational Insurance. During the Term of this Agreement, the Facility, at Operator's or Manager's expense, shall provide, procure and maintain all insurance required by the Management Agreement.

## ARTICLE 7. ACCESS AND USE OF FACILITY

- 7.1 Access. During the Term of this Agreement, LTC Group shall have complete access to the Facility to the extent necessary to perform its obligations under this Agreement.

## ARTICLE 8. DEFAULT

- 8.1 Default and Events of Default by LTC Group. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, LTC Group for purposes of this Agreement:
- 8.1.1 LTC Group: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to the LTC Group under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.
- 8.1.2 LTC Group commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by LTC Group under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.
- 8.1.3 The failure by LTC Group to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by Operator to LTC Group, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided LTC Group commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.
- 8.2 Default and Events of Default by Operator. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, Operator for purposes of this Agreement:
- 8.2.1 Operator: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition,

readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to Operator under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

8.2.2 Operator commits any act or fails to take any action that is specifically identified as a "Default" or an "Event of Default" by Operator under any provision of this Agreement that is not cured, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such Default or Event of Default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such Default or Event of Default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

8.2.3 The failure by Operator to keep, observe or perform any covenant, agreement, term or provision of this Agreement and the continuation of such failure, in full or in part, for a period of thirty (30) days after written notice thereof by LTC Group to Operator, or if such default cannot be cured within such thirty (30) day period, then such additional period as shall be reasonable provided Operator commences to cure such default within such thirty (30) day period and proceeds diligently to prosecute such cure to completion.

### 8.3 Remedies Upon an Event of Default

8.3.1 Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to pursue any one or more of the following courses of action: (i) to terminate this Agreement as provided in Article 3 and (ii) to institute any and all proceedings permitted by law or at equity, including, without limitation, actions for specific performance and/or damages.

8.3.2 Upon the occurrence of an Event of Default by either party, any amounts owed to the non-defaulting party shall accrue interest at an annual rate of twelve percent (12%), compounded annually, or the maximum non-usurious rate allowed by law, on the principal balance due commencing on the original due date of such payment through the date of payment.

8.3.3 The rights granted hereunder are intended to be cumulative, and shall not be in substitution for, but shall be in addition to, any and all rights and remedies available to the non-defaulting party (including, without limitation, injunctive relief and damages) by reason of applicable provisions of law or equity.

## **ARTICLE 9. INDEMNIFICATION AND HOLD HARMLESS**

9.1 **INDEMNIFICATION BY LTC GROUP. LTC GROUP SHALL INDEMNIFY AND HOLD HARMLESS OPERATOR, ITS DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF LTC GROUP.**

9.2 **INDEMNIFICATION BY OPERATOR. TO THE FULLEST EXTENT PERMITTED BY**

**LAW, OPERATOR SHALL INDEMNIFY AND HOLD HARMLESS LTC GROUP, ITS MEMBERS, MANAGERS, SHAREHOLDERS, PARTNERS, DIRECTORS, OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, RESULTING IN ANY MANNER DIRECTLY OR INDIRECTLY FROM THE GROSS NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS OF OPERATOR AND ITS SHAREHOLDERS OR PARTNERS, AGENTS, EMPLOYEES, AND CONTRACTORS TO THE EXTENT THEY ARE UNDER THE DIRECTION AND CONTROL OF OPERATOR.**

#### **ARTICLE 10. ASSIGNMENT**

##### 10.1 Assignment

10.1.1 Neither LTC Group nor Operator shall assign or transfer its interest in this Agreement without the prior written consent of the other party which consent may be withheld in the sole discretion of such other party. For purposes of this Agreement, the following shall be considered an assignment or transfer of this Agreement: (i) any assignment, transfer, sale or disposition of the majority of the ownership interest of LTC Group, voluntarily or involuntarily, by the parties who owned such interest on the Effective Date, (ii) any issuance of ownership interest of LTC Group or other transaction that results in a change in the control of LTC Group or Operator, or (iii) any merger, consolidation or other similar transaction to which LTC Group or Operator is party.

10.1.2 In the event either party consents to an assignment of this Agreement by the other, no further assignment shall be made without the express consent in writing of such party, unless such assignment may otherwise be made without such consent pursuant to the terms of this Agreement. An assignment by either Operator or LTC Group of its interest in this Agreement shall not relieve Operator or LTC Group, as the case may be, from their respective obligations under this Agreement.

#### **ARTICLE 11. MISCELLANEOUS**

11.1 Further Assurances. Except as specifically provided in this Agreement, Operator or LTC Group, as the case may be, shall cause to be executed and delivered to the other party all such other instruments and shall take or cause to be taken such further or other action as may reasonably and in good faith be deemed by the other party to be necessary or desirable in order to further assure the performance by Operator or LTC Group, as the case may be, of any of their respective obligations under this Agreement.

11.2 Confidentiality. The parties hereto agree that the matters set forth in this Agreement are strictly confidential and other than as may be required by applicable state open records law and/or securities laws and regulations, each party will make every effort to ensure that the information is not disclosed to any outside person or entities (including the press) without the written consent of the other party.

11.3 Consents. Wherever in this Agreement the consent or approval of Operator or LTC Group is required and the same is not expressly indicated to be as the sole discretion of a party, such consent or approval shall not be unreasonably withheld, shall be in writing and shall be executed by a duly authorized officer or agent of the party granting such consent or approval. If either

Operator or LTC Group fails to respond within thirty (30) days to a request by the other party for a consent or approval, such consent or approval shall be deemed to have been given.

- 11.4 Applicable Law. This Agreement shall be construed under and shall be governed by the laws of the State of Texas.
- 11.5 Headings. Headings of Articles and Sections are inserted only for convenience and in no way limit the scope of the particular Articles or Sections to which they refer.
- 11.6 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth (5<sup>th</sup>) business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

If to Operator, to:  
Winnie-Stowell Hospital District  
P.O. Box 1997  
Winnie, Texas 77662  
Attn: President

If to LTC Group:  
LTC Group, LLC  
3267 Bee Caves Road, Ste 107-511  
Austin, TX 78746  
Attn: President

- 11.7 HIPAA Compliance. The parties agree that the services provided under this Agreement will comply in all material respects with all federal and state-mandated regulations, rules, or orders applicable to the services provided herein, including but not limited to regulations promulgated under Title II, Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-91) ("HIPAA") and Title 2, Section I, Chapter 181 of the Texas Medical Records Privacy Act. Furthermore, the parties shall amend this Agreement or execute any additional documentation to amend the Agreement to conform with HIPAA, the Texas Medical Records Privacy Act, or any new or revised legislation, rules, and regulations to which they are subject now or in the future, including, without limitation, the Standards for Privacy of Individually Identifiable Health Information or similar legislation in order to ensure that the parties are at all times in conformance with all such laws.
- 11.8 Entire Agreement. This Agreement, together with other writings signed by the parties which are expressly stated to be supplemental hereto and together with any instruments to be executed and delivered pursuant to this Agreement, constitutes the entire agreement between the parties and supersedes all prior understandings and writings and may be changed only by a writing signed by both parties hereto.
- 11.9 Waiver. The failure of either party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right or remedy herein contained, shall not be construed as a waiver or as a relinquishment for the future of such term, provision, option, right or remedy, but the same shall continue and remain in full force and effect. No waiver by



either party of any term or provision hereof shall be deemed to have been made unless expressed in writing and signed by such party.

- 11.10 Partial Invalidity. If any portion of this Agreement shall be declared invalid by order, decree or judgment of a court, this Agreement shall be construed as if such portion had not been inserted herein except when such construction would operate as an undue hardship on LTC Group or Operator, or constitute a substantial deviation from the general intent and purpose of said parties as reflected in this Agreement.
- 11.11 Construction. No provisions of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.
- 11.12 Limit on Recourse. Operator's and LTC Group's obligations under this Agreement are not with recourse to any director, manager, officer, employee, member, or agent of Operator or LTC Group, respectively.
- 11.13 Disclaimer. None of the services or assistance offered to Operator by LTC Group, or payments made to the LTC Group, shall in any manner be construed as an inducement for the referral of any patients or for the arrangement of any services covered under a Federal healthcare program. The parties do not intend the terms of this Agreement to provide for, and nothing in this Agreement shall be deemed or in any manner construed to be, the solicitation, receipt, offer or payment of remuneration for the furnishing of any item or service for which payment may be made in whole or in part under a Federal healthcare program, or in return for purchasing, leasing, ordering or arranging for, or recommending purchasing, leasing, ordering, any good, facility, service or item for which payment may be made in whole or in part under a Federal healthcare program. Such services and assistance are wholly intended to improve the delivery of health care services to the population and communities served by the parties, and are provided in a manner so as to confer a benefit on those communities. In the event any state or federal laws or regulations, now existing or enacted or promulgated after the effective date of this Agreement, are interpreted by judicial decision, a regulatory agency or legal counsel in such a manner as to indicate that the structure of this Agreement may be in violation of such laws or regulations, Operator and LTC Group shall attempt in good faith to amend this Agreement as necessary. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangement between Operator and LTC Group.
- 11.14 Authority. Each individual who has signed this Agreement warrants that such execution has been duly authorized by the party for which he or she is signing.
- 11.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. Executed counterparts may be delivered by facsimile (and/or Adobe ® PDF), and shall be effective when received, with the original copy sent by overnight delivery service. This Agreement shall be of no force or effect unless and until it has been executed and delivered by both parties.
- 11.16 Dispute Resolution. Each party agrees that any dispute between the Parties that arises from this Agreement, or the operation of the Facility, including any action to interpret, construe or enforce this Agreement shall be resolved through binding arbitration in accordance with the Chapter 171 of the Texas Civil Practices and Remedies Code and the rules of the American Health Lawyers Association Alternative Dispute Resolution Service then in effect, or other nationally recognized

alternative dispute resolution service that is mutually agreeable to the Parties. This provision shall not prohibit either Party from seeking any necessary injunctive relief from a court of competent jurisdiction in connection with any dispute arising from this Agreement or the operation of the Facility. **THE PARTIES KNOWINGLY AND WILLINGLY WAIVE ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY AND ALL DISPUTES THAT MAY ARISE FROM THIS AGREEMENT OR THE OPERATION OF THE FACILITY.**

- 11.17 Change in Law. If there is a change in any law, regulation, rule or reimbursement, state or federal, which adversely affects this Agreement, the Facility or the activities of either party under this Agreement, or any change in the judicial or administrative interpretation of any such law, regulation, or rule, or if any of the provisions of this Agreement are found to be in violation of the laws existing at the time of such determination, and either party reasonably believes in good faith that the change, interpretation or determination will have a substantial adverse effect on that party's business operations or its rights or obligations under this Agreement, then the party may, upon written notice, require the other party to enter into good faith negotiations to renegotiate the terms of this Agreement and to take any action necessary to eliminate or reduce the substantial adverse effect on that party .

*Signature Page Follows*

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

**WINNIE-STOWELL HOSPITAL DISTRICT:**

By: \_\_\_\_\_  
Printed:  
Title: President

**LTC GROUP, LLC**

By: \_\_\_\_\_  
Todd Biederman  
for The Sage Group Services, LLC, its Manager

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**EXHIBIT A  
FACILITIES AND SERVICES FEES**

Facility	Address	Service Fee
Park Manor of Cypress Station	420 Lantern Bend Dr, Houston, TX, 77090	\$5,700 per month
Park Manor of Humble	19424 McKay Dr, Humble, TX, 77338	\$5,700 per month
Park Manor of Westchase	11910 Richmond Ave, Houston, TX, 77082	\$5,700 per month
Park Manor of Cyfair	11001 Crescent Moon Dr, Houston, TX, 77064	\$5,700 per month
Park Manor of Quail Valley	2350 FM 1092, Missouri City, TX, 77459	\$5,700 per monthH
Park Manor of Conroe	1600 Grand Lake Dr, Conroe, TX, 77301	\$5,700 per month
Marshall Manor Nursing and Rehabilitation Center	1007 S Washington Ave, Marshall, TX, 75670	\$5,700 per month
Highland Park Care Center	2714 Morrison, Houston, TX, 77009	\$5,700 per month
Marshall Manor West	207 West Merritt St, Marshall, TX, 75670	\$5,700 per month
Golden Villa	1104 S William St, Atlanta, TX, 75551	\$5,700 per month
Rose Haven Retreat	200 Live Oak Street, Atlanta, TX, 75551	\$5,700 per month
Spring Branch Transitional Care Center	1615 Hillendahl Rd, Houston, TX, 77055	\$5,700 per month
Garrison Nursing Home and Rehabilitation Center	333 North FM 95, Garrison, TX, 75946	\$5,700 per month
Clairmont Beaumont	1020 S 23rd St, Beaumont, TX, 77707	\$5,700 per month
The Woodlands Healthcare Center	4650 S Panther Creek Dr, The Woodlands, TX 77381	\$5,700 per month

Exhibit A

<b>Facility</b>	<b>Address</b>	<b>Service Fee</b>
Monument Rehabilitation and Nursing Center	120 State Loop 92, La Grange, TX, 78945	\$5,700 per month
Oakland Manor Nursing Center	1400 N Main St, Giddings, TX, 78942	\$5,700 per month
Hallettsville Rehabilitation and Nursing Center	825 W Fairwinds, Hallettsville, TX, 77964	\$5,700 per month
Oak Manor Nursing Center	624 N Converse St, Flatonia, TX, 78941	\$5,700 per month

Exhibit A

**EXHIBIT B  
SERVICES**

LTC Group shall perform the following services subject to Operator's review and oversight:

1. A regular review of the Facility's finances, including, but not limited to, the following:
  - a. Monthly Payor Mix Trending and Analysis;
  - b. Monthly Financial Benchmarking;
  - c. Monthly A/R Review;
  - d. Monthly Bad Debt Review;
  - e. Monthly Budget Review: As necessary, a review of Manager's collection and deposit of all net patient revenue to the depository account and management of the cash flow of the Facility, including, without limitation, billing all patients and governmental or other third-party payors for all services provided by or at the facility, collecting all net patient revenue and paying all operating expenses and other accounts payable related to the operation of the facility;
  - f. As necessary, a review of all books and records relating to the operation of the facility;
  - g. As necessary, a review of all cost, expense and reimbursement reports and related documents relating to services provided to residents, including without limitation the Medicare and Medicaid cost reports and Texas supplemental payment programs;
  - h. As necessary, review of Minimum Data Set ("MDS") and Resident Assessment Protocols ("RAPs") on a schedule and as required by applicable federal regulations, including 42 C.F.R. §483.20;
  - i. LTC Group, as necessary, shall request and review the HHSC annual RUG review/audit; and
  - j. A review of annual operating budget proposed by Manager.
  
2. A regular review of the Facility's operations, including, but not limited to, the following:
  - a. Daily census tracking and review of monthly occupancy report;
  - b. Quarterly on-site visit with facility administrator;
  - c. Monthly operational compliance monitoring;
  - d. As needed, assist with any survey, inspection or site investigation or accreditation process conducted by a governmental, regulatory, certifying or accrediting entity with authority or jurisdiction over the Facility, and assist with the implementation of any official findings of such reviews;
  - e. Assist Operator with any legal dispute in which Operator is involved relating to the ownership, services or operation of the facility; and
  - f. Assist Operator and its certified public accountants in connection with any audit, review or reports conducted or prepared in connection with the ownership or operation of the Facility.
  
3. A regular review of the Facility's clinic performance, including, but not limited to, the following:
  - a. Monthly Incident/Accident Trending & Analysis;
  - b. Monthly Infection Control Trending & Analysis;
  - c. Monthly Weight Assessment Review;
  - d. Monthly Skin Assessment Review;
  - e. As necessary, review clinical compliance for facilities;
  - f. As necessary, Annual Clinical Policy Review;
  - g. As needed, a review of the Facility's resident care and health care policies and procedures and general administrative policies and procedures, including, without limitation, policies and procedures for the control of revenue and expenditures, for the purchasing of supplies

- and services, for the control of credit, and for the scheduling of maintenance;
- h. As necessary, assist facility in accordance with a quality assessment performance improvement program and a compliance plan; and
  - i. As necessary, as reasonably requested, review and assist with quality assurance committee.
4. Upon the request of Operator, attend meetings of Operator's governing board or executive staff to discuss services and other relevant issues.
5. Financial services on behalf of the Operator:
- a. Daily review of accounts for deposits; weekly wire transfers to the operators;
  - b. Review and/or prepare monthly reconciliation of back accounts;
  - c. Prepare month end closing journal entries for Operator financial statements;
  - d. Ensure financial mechanisms are in place to ensure timely distribution of funds to meet obligations;
  - e. Assist with annual Operator audits.

# Exhibit “J”



QIPP Summary by IGT	2018 - IGT 3 (6 Months)			2018 - IGT 3 and IGT 4 (Year)		
	Current 19 Homes	Additional 6 Homes	Total	Current 19 Homes	Additional 6 Homes	Total
Loan Received	\$4,775,586.60	\$1,600,892.83	\$6,376,479.43	\$9,551,173.20	\$3,201,785.66	\$12,752,958.86
110% IGT Out	(\$4,775,586.60)	(\$1,600,892.83)	(\$6,376,479.43)	(\$9,551,173.20)	(\$3,201,785.66)	(\$12,752,958.86)
Total Component 1 Payments	\$4,775,586.60	\$1,600,892.83	\$6,376,479.43	\$9,551,173.20	\$3,201,785.66	\$12,752,958.86
IGT Reconciliation	\$434,144.24	\$145,535.71	\$579,679.95	\$868,288.47	\$291,071.42	\$1,159,359.90
Qtrly Supplemental Payment	\$2,712,190.91	\$909,192.38	\$3,621,383.29	\$5,424,381.81	\$1,818,384.77	\$7,242,766.58
<b>Gross Revenue</b>	<b>\$7,921,921.75</b>	<b>\$2,655,620.92</b>	<b>\$10,577,542.67</b>	<b>\$15,843,843.49</b>	<b>\$5,311,241.85</b>	<b>\$21,155,085.34</b>
<b>Expenses</b>						
<b>Nursing Home Expenses</b>						
Nursing Home IGT Reconciliation Payment	(\$217,072.12)	(\$72,767.86)	(\$289,839.97)	(\$434,144.24)	(\$145,535.71)	(\$579,679.95)
Nursing Home Qtrly Supplemental Payment	(\$1,356,095.45)	(\$454,596.19)	(\$1,810,691.65)	(\$2,712,190.91)	(\$909,192.38)	(\$3,621,383.29)
Nursing Home Component 1 Payment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cash Flow Timing Adjustment	(\$0.00)	\$0.00	(\$0.00)	(\$0.00)	\$0.00	(\$0.00)
<b>Total Nursing Home Expenses</b>	<b>(\$1,573,167.57)</b>	<b>(\$527,364.05)</b>	<b>(\$2,100,531.62)</b>	<b>(\$3,146,335.14)</b>	<b>(\$1,054,728.10)</b>	<b>(\$4,201,063.24)</b>
<b>District Expenses</b>						
Loan Repayment	(\$4,775,586.60)	(\$1,600,892.83)	(\$6,376,479.43)	(\$9,551,173.20)	(\$3,201,785.66)	(\$12,752,958.86)
Interest Expense	(\$355,785.72)	(\$169,002.47)	(\$524,788.19)	(\$711,297.55)	(\$338,004.94)	(\$1,049,302.49)
Professional Services	(\$649,800.00)	(\$205,200.00)	(\$855,000.00)	(\$1,299,600.00)	(\$410,400.00)	(\$1,710,000.00)
Professional Services (Volume Discount)	\$0.00	\$90,000.00	\$90,000.00	\$0.00	\$180,000.00	\$180,000.00
<b>Total District Expenses</b>	<b>(\$5,781,172.32)</b>	<b>(\$1,885,095.30)</b>	<b>(\$7,666,267.61)</b>	<b>(\$11,562,070.75)</b>	<b>(\$3,770,190.59)</b>	<b>(\$15,332,261.34)</b>
<b>Total Expenses</b>	<b>(\$7,354,339.89)</b>	<b>(\$2,412,459.35)</b>	<b>(\$9,766,799.23)</b>	<b>(\$14,708,405.89)</b>	<b>(\$4,824,918.69)</b>	<b>(\$19,533,324.58)</b>
<b>Total Net Cash to District</b>	<b>\$567,581.86</b>	<b>\$243,161.58</b>	<b>\$810,743.44</b>	<b>\$1,135,437.60</b>	<b>\$486,323.16</b>	<b>\$1,621,760.76</b>

**Assumptions:**

\*Number of Nursing homes in overall program stays the same

\*75% success rate for Component 2

	Total QIPP (No Dilution)		Total QIPP (43 Extra NSGO Facilities - 10% Growth)	
	514	514	557	557
	19	25	19	25
Total Program Homes				
Winnie Homes				
Total Program Funding	\$400,000,000.00	\$400,000,000.00	\$400,000,000.00	\$400,000,000.00
NSGO Share of IGT	(\$172,720,000.00)	(\$172,720,000.00)	(\$172,720,000.00)	(\$172,720,000.00)
IMCO Fees	(\$28,000,000.00)	(\$28,000,000.00)	(\$28,000,000.00)	(\$28,000,000.00)
QIPP Funding for Supplemental and IGT Benefit/Reserve	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>
Supplemental	\$182,008,000.00	\$182,008,000.00	\$182,008,000.00	\$182,008,000.00
IGT Holdback/Reserve	\$17,272,000.00	\$17,272,000.00	\$17,272,000.00	\$17,272,000.00
<b>QIPP Funding for Supplemental and IGT Benefit/Reserve</b>	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>	<b>\$199,280,000.00</b>
Winnie Supplemental at 100%	\$7,232,509.09	\$9,657,022.11	\$6,721,446.19	\$8,974,638.49
Winnie IGT Holdback/Reserve	\$868,288.47	\$1,159,359.90	\$789,353.16	\$1,053,963.54
<b>Total Winnie QIPP Benefit</b>	<b>\$8,100,797.56</b>	<b>\$10,816,382.01</b>	<b>\$7,510,799.34</b>	<b>\$10,028,602.03</b>
Winnie % of Total Program	4.07%	5.43%	3.77%	5.03%



# Quality Improvement Payment Program (QIPP)

*HMG Healthcare, LLC*

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WINNIE STOWELL

# Timeline and Payments for QIPP year 2

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## TIMELINE AND DEADLINES

Jan 2018: Deadline for QIPP CHOW applications with effective date of 4/1/2018

Jan/Feb 2018: Deadline to for all CHOW documents

March 2018: Contract Amendment Deadline

4/1/2018: QIPP CHOW effective date

4/1-4/30/2018: QIPP enrollment period

5/31/2018: First ½ IGT due from participating NSGO NFS

- Summer 2018: QIPP trainings to be held

- 9/1/18: QIPP year 2 launch date

## PAYMENTS

Quarterly Payments based on quality benchmarks reached

\$400 million available quality pool for all QIPP participants

- Lapsed funds are redistributed to other QIPP participants

# Facility Information

## PARK MANOR OF THE WOODLANDS

LEGAL BUSINESS NAME	HMG PARK MANOR OF THE WOODLANDS , L.L.C.
FEDERAL PROVIDER NUMBER	676273
ADDRESS	1014 WINDSOR LAKES BLVD.
CITY	THE WOODLANDS
STATE	TX
ZIP CODE	77384
PROVIDER COUNTY	MONTGOMERY
ADMINISTRATOR	CONNER GREENSPAN
DIRECTOR OF NURSING	ADA FISCU
DATE FIRST APPROVED TO PROVIDE MCR & MCD	MARCH 25, 2011

## PARK MANOR OF TOMBALL

LEGAL BUSINESS NAME	HMG PARK MANOR OF TOMBALL, L.L.C.
FEDERAL PROVIDER NUMBER	676165
ADDRESS	250 SCHOOL STREET
CITY	TOMBALL
STATE	TX
ZIP CODE	77375
PROVIDER COUNTY	HARRIS
ADMINISTRATOR	FRANCESCA CAIN
DIRECTOR OF NURSING	DONNA WILLIAMS
DATE FIRST APPROVED TO PROVIDE MCR & MCD	FEBRUARY 21, 2008

# Facility Information

## PARK MANOR SOUTHBELT

LEGAL BUSINESS NAME	HMG PARK MANOR OF SOUTHBELT, L.L.C.
FEDERAL PROVIDER NUMBER	675819
ADDRESS	11902 RESOURCE PKWY
CITY	HOUSTON
STATE	TX
ZIP CODE	77089
PROVIDER COUNTY	HARRIS
ADMINISTRATOR	JESSICA BROWN
DIRECTOR OF NURSING	TINA COOK
DATE FIRST APPROVED TO PROVIDE MCR & MCD	MARCH 14, 2000

## DEERBROOK SKILLED NURSING AND REHAB

LEGAL BUSINESS NAME	HMG PARK MANOR OF DEERBROOK, L.L.C.
FEDERAL PROVIDER NUMBER	676263
ADDRESS	9250 HUMBLE-WESTFIELD RD
CITY	HUMBLE
STATE	TX
ZIP CODE	77338
PROVIDER COUNTY	HARRIS
ADMINISTRATOR	AMY HICKS
DIRECTOR OF NURSING	LESLIE PATT
DATE FIRST APPROVED TO PROVIDE MCR & MCD	FEBRUARY 7, 2011

# Facility Information

## FRIENDSHIP HAVEN HEALTHCARE AND REHAB

LEGAL BUSINESS NAME	FRIENDSWOOD TRS, LLC
FEDERAL PROVIDER NUMBER	675744
ADDRESS	1500 SUNSET DR.
CITY	FRIENDSWOOD
STATE	TX
ZIP CODE	77546
PROVIDER COUNTY	HARRIS
ADMINISTRATOR	RAYMOND HOWARD
DIRECTOR OF NURSING	SANDRA COLLEY
DATE FIRST APPROVED TO PROVIDE MCR & MCD	

# Facility Information *(cont.)*

## PARK MANOR OF THE WOODLANDS

ANNUAL MCD DAYS	19,297
NUMBER OF CERTIFIED BEDS	124
TOTAL NUMBER OF PENALTIES	13
NUMBER OF PAYMENT DENIALS	1
NUMBER OF FINES	2
TOTAL AMOUNT OF FINES	\$19,810
NUMBER OF FACILITY REPORTED INCIDENTS	1
NUMBER OF SUBSTANTIATED COMPLAINTS	2
ADJ. CNA STAFFING HOURS PPD	1.99
ADJ. LPN STAFFING HOURS PPD	1.02
ADJ. RN STAFFING HOURS PPD	.29

## PARK MANOR OF TOMBALL

ANNUAL MCD DAYS	23,097
NUMBER OF CERTIFIED BEDS	125
TOTAL NUMBER OF PENALTIES	8
NUMBER OF PAYMENT DENIALS	0
NUMBER OF FINES	0
TOTAL AMOUNT OF FINES	\$0
NUMBER OF FACILITY REPORTED INCIDENTS	0
NUMBER OF SUBSTANTIATED COMPLAINTS	0
ADJ. CNA STAFFING HOURS PPD	1.92
ADJ. LPN STAFFING HOURS PPD	.92
ADJ. RN STAFFING HOURS PPD	.25



# Facility Information *(cont.)*

## PARK MANOR OF SOUTHBELT

ANNUAL MCD DAYS	20,772
NUMBER OF CERTIFIED BEDS	120
TOTAL NUMBER OF PENALTIES	6
NUMBER OF PAYMENT DENIALS	0
NUMBER OF FINES	0
TOTAL AMOUNT OF FINES	\$0
NUMBER OF FACILITY REPORTED INCIDENTS	0
NUMBER OF SUBSTANTIATED COMPLAINTS	0
ADJ. CNA STAFFING HOURS PPD	1.97
ADJ. LPN STAFFING HOURS PPD	.78
ADJ. RN STAFFING HOURS PPD	.42

## DEERBROOK SKILLED NURSING AND REHAB

ANNUAL MCD DAYS	21,057
NUMBER OF CERTIFIED BEDS	124
TOTAL NUMBER OF PENALTIES	14
NUMBER OF PAYMENT DENIALS	1
NUMBER OF FINES	1
TOTAL AMOUNT OF FINES	\$10,482.50
NUMBER OF FACILITY REPORTED INCIDENTS	0
NUMBER OF SUBSTANTIATED COMPLAINTS	2
ADJ. CNA STAFFING HOURS PPD	1.85
ADJ. LPN STAFFING HOURS PPD	.97
ADJ. RN STAFFING HOURS PPD	.28

# Facility Information *(cont.)*

## FRIENDSHIP HAVEN HEALTHCARE AND REHAB

ANNUAL MCD DAYS	28,640
NUMBER OF CERTIFIED BEDS	150
TOTAL NUMBER OF PENALTIES	5
NUMBER OF PAYMENT DENIALS	0
NUMBER OF FINES	0
TOTAL AMOUNT OF FINES	\$0
NUMBER OF FACILITY REPORTED INCIDENTS	0
NUMBER OF SUBSTANTIATED COMPLAINTS	0
ADJ. CNA STAFFING HOURS PPD	1.94
ADJ. LPN STAFFING HOURS PPD	.89
ADJ. RN STAFFING HOURS PPD	.17

# Facility Information *(cont.)*

## PARK MANOR OF THE WOODLANDS

OVERALL RATING	★
QM RATING	★★★★
HEALTH INSPECTION RATING	★
STAFFING RATING	★★
RN STAFFING RATING	★★

## PARK MANOR OF TOMBALL

OVERALL RATING	★★★★★
QM RATING	★★★★★
HEALTH INSPECTION RATING	★★★★★
STAFFING RATING	★
RN STAFFING RATING	★

# Facility Information *(cont.)*

## PARK MANOR OF SOUTHBELT

OVERALL RATING	★ ★ ★
QM RATING	★ ★ ★ ★ ★
HEALTH INSPECTION RATING	★ ★ ★ ★ ★
STAFFING RATING	★
RN STAFFING RATING	★ ★

## DEERBROOK SKILLED NURSING AND REHAB

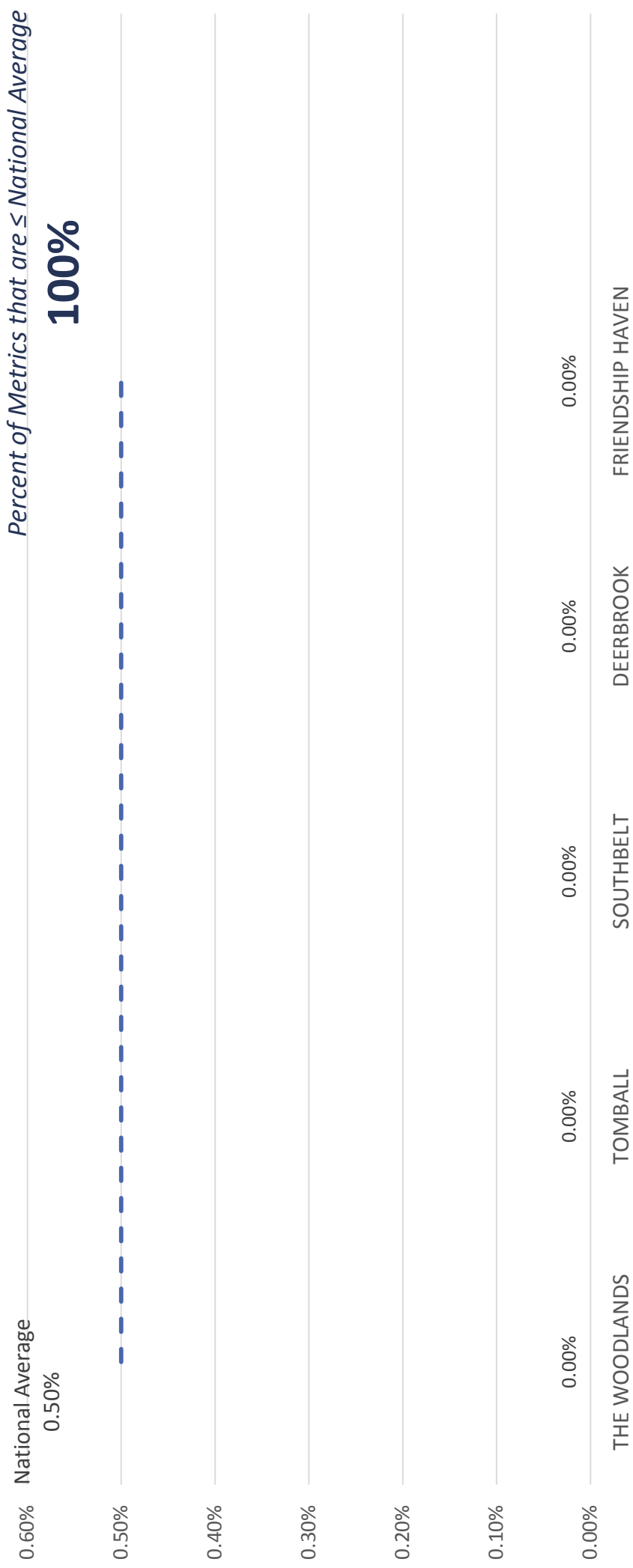
OVERALL RATING	★ ★ ★ ★ ★
QM RATING	★ ★ ★ ★
HEALTH INSPECTION RATING	★ ★ ★ ★ ★
STAFFING RATING	★ ★ ★ ★ ★
RN STAFFING RATING	★ ★ ★ ★

# Facility Information *(cont.)*

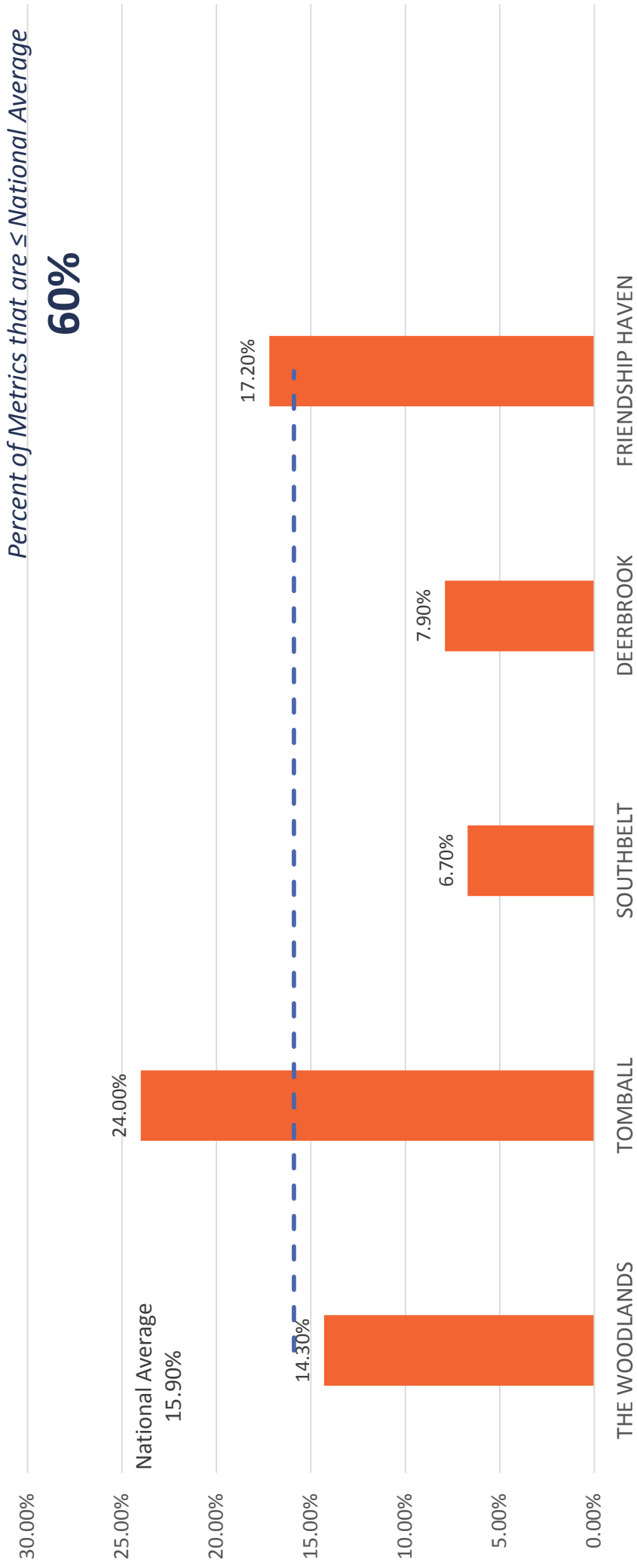
## FRIENDSHIP HAVEN HEALTHCARE AND REHAB

OVERALL RATING	★
QM RATING	★★★★★
HEALTH INSPECTION RATING	★★★
STAFFING RATING	★
RN STAFFING RATING	★

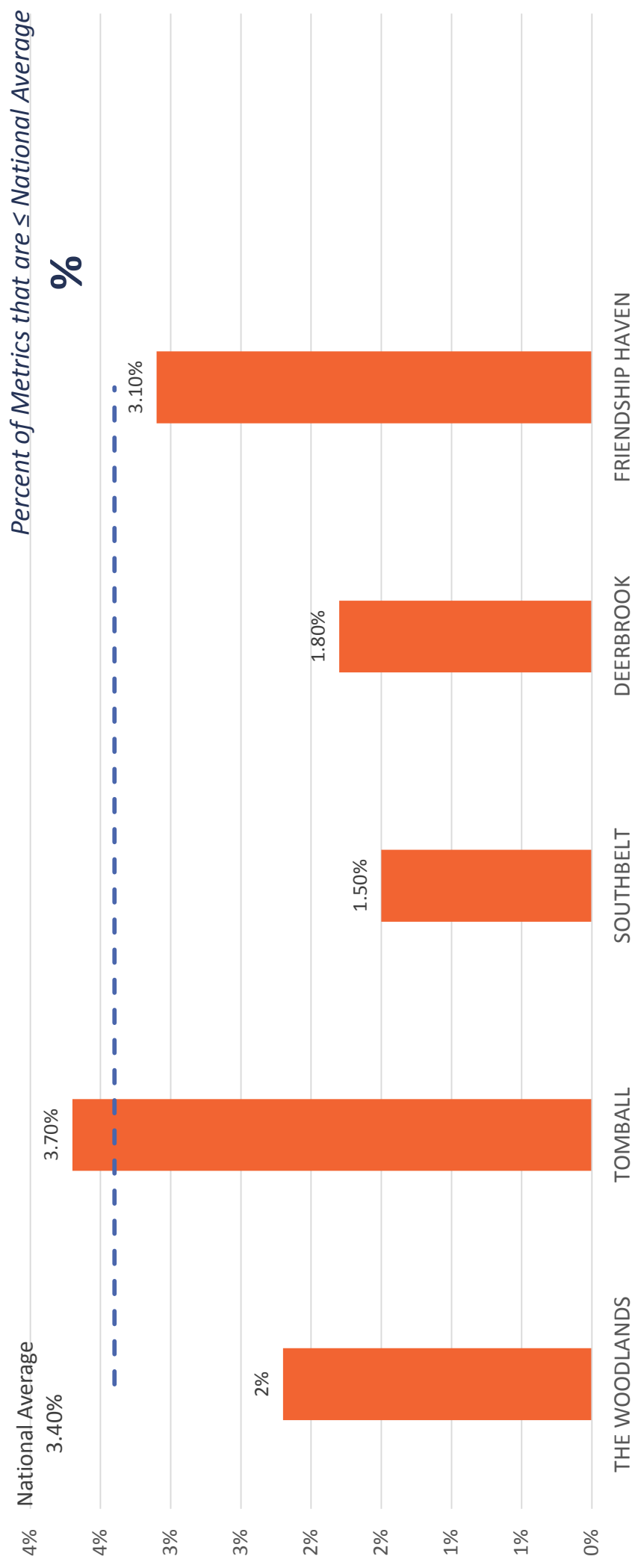
# QIPP Quality Metrics – Restraints



# QIPP Quality Metrics – Antipsychotics

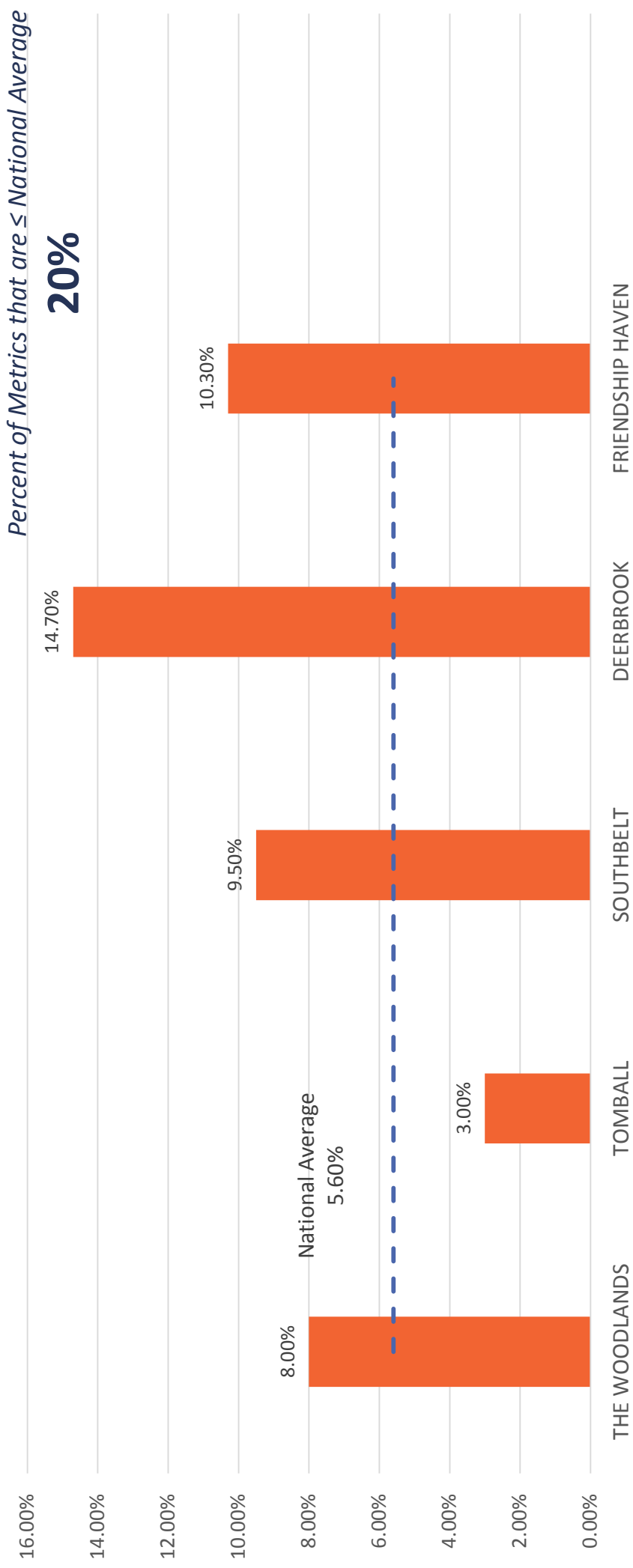


# QIPP Quality Metrics – Falls w/Injury



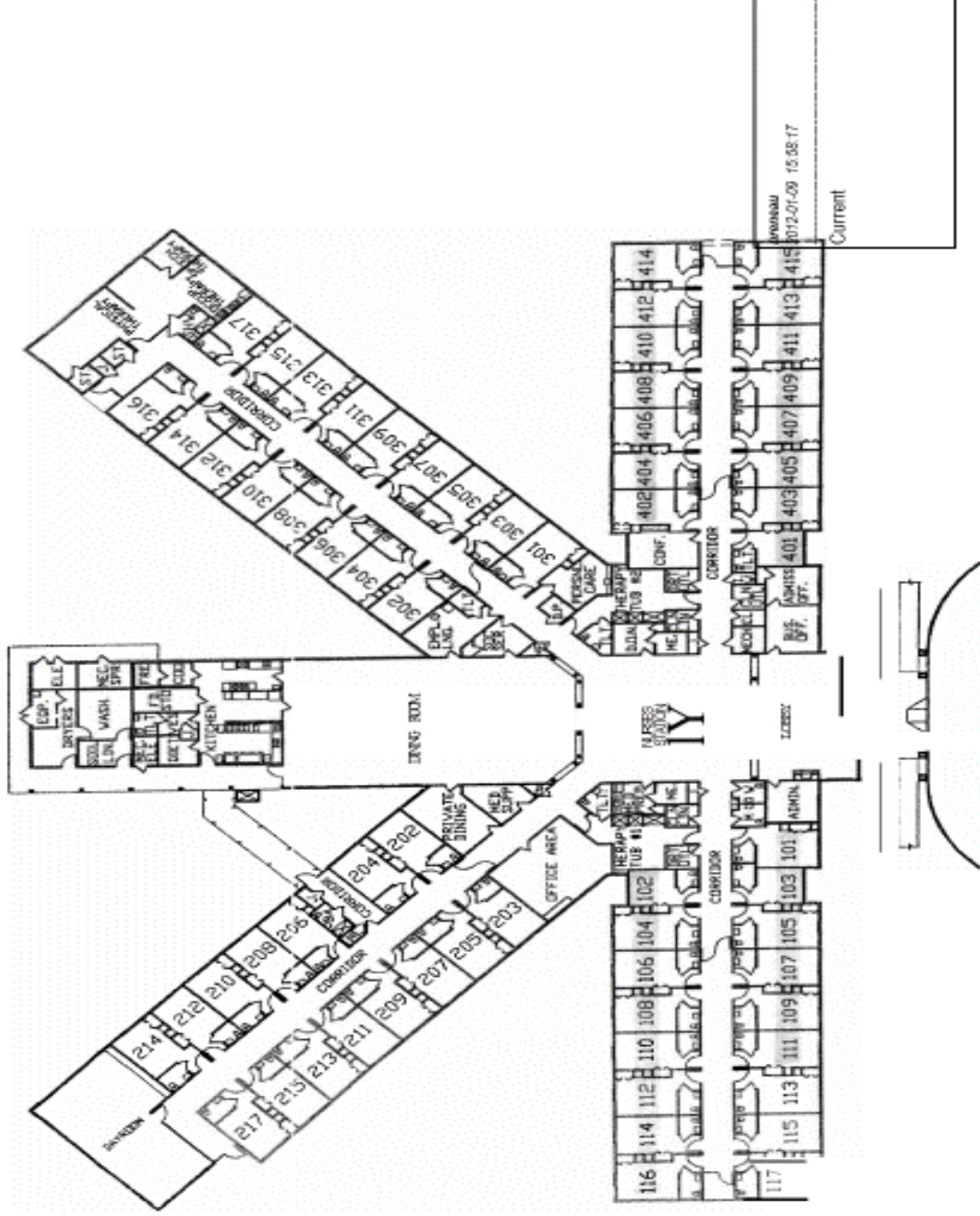


# QIPP Quality Metrics – Pressure Ulcers





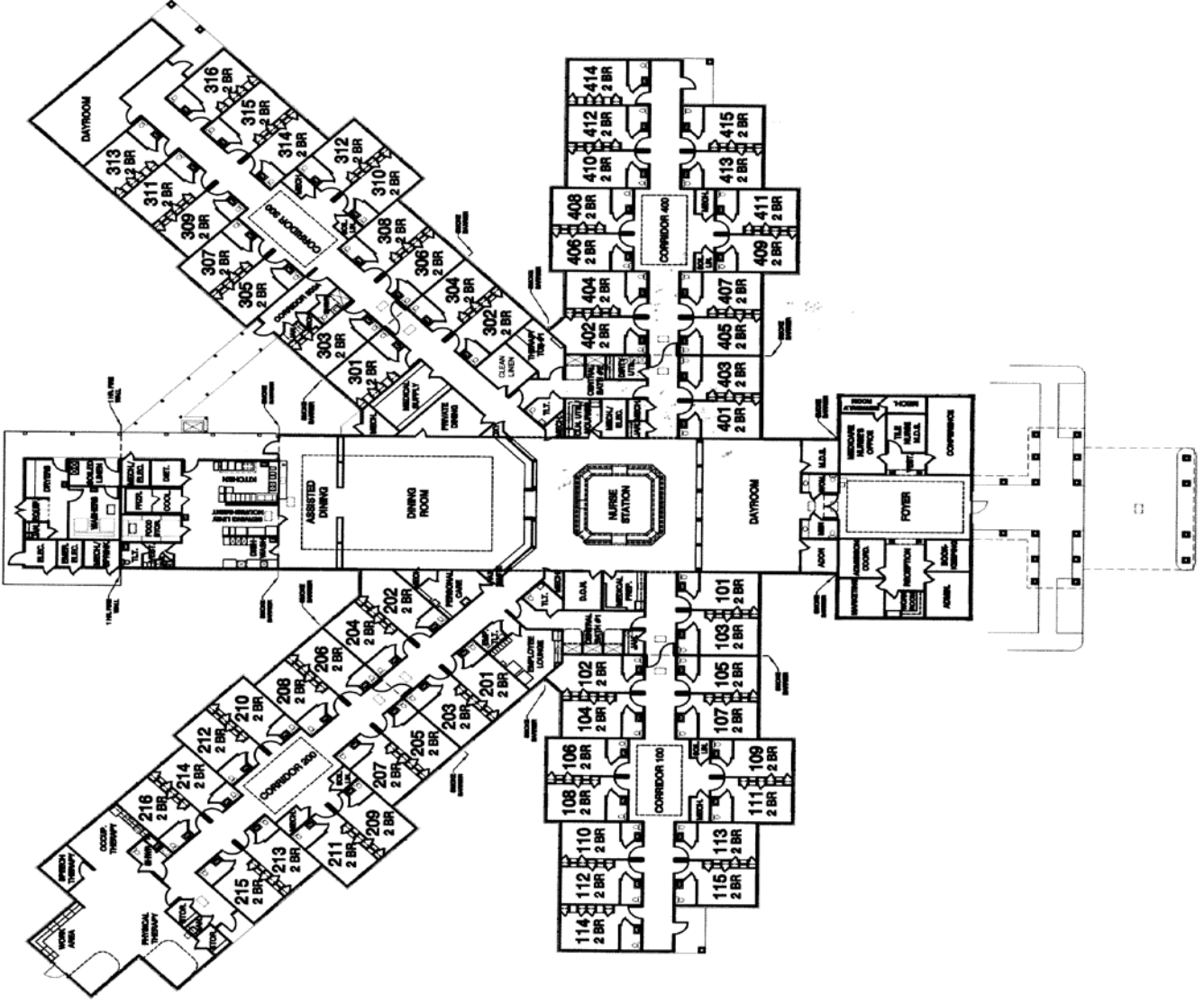
Current



# PARK MANOR OF TOMBALL



# DEERBROOK SKILLED NURSING AND REHAB







OnPointe Management, LLC  
Tax ID: 46-4937450

Texas Skilled Nursing Facilities

LEGAL NAME	FACILITY NAME DBA	Physical & Billing Address	County	Licensed Beds	NEW TAX ID/EIN	NEW NPI Number	Vendor#	Medicaid Provider#	Medicare Provider#	2015 Cost Report Medicaid %
Vila del Mar at Mainland Center, LLC	The Rio at Mainland Center	1011 Mainland Center Texas, City 77591	Galveston	134 - 94 Dual Cert & 40 SNF Only	46-3539153	1508288325	5674	(001025697)	67660	
2015 Cost Report Medicaid Census	Star Plus MCO		MCD Days	Hospice	MCD Days less Hospice	Total Days	=	MCD % for QPP		
AGP, Molina, UHC			11,423	545	10,878	29,899		36.38%		