

Exhibit “A”

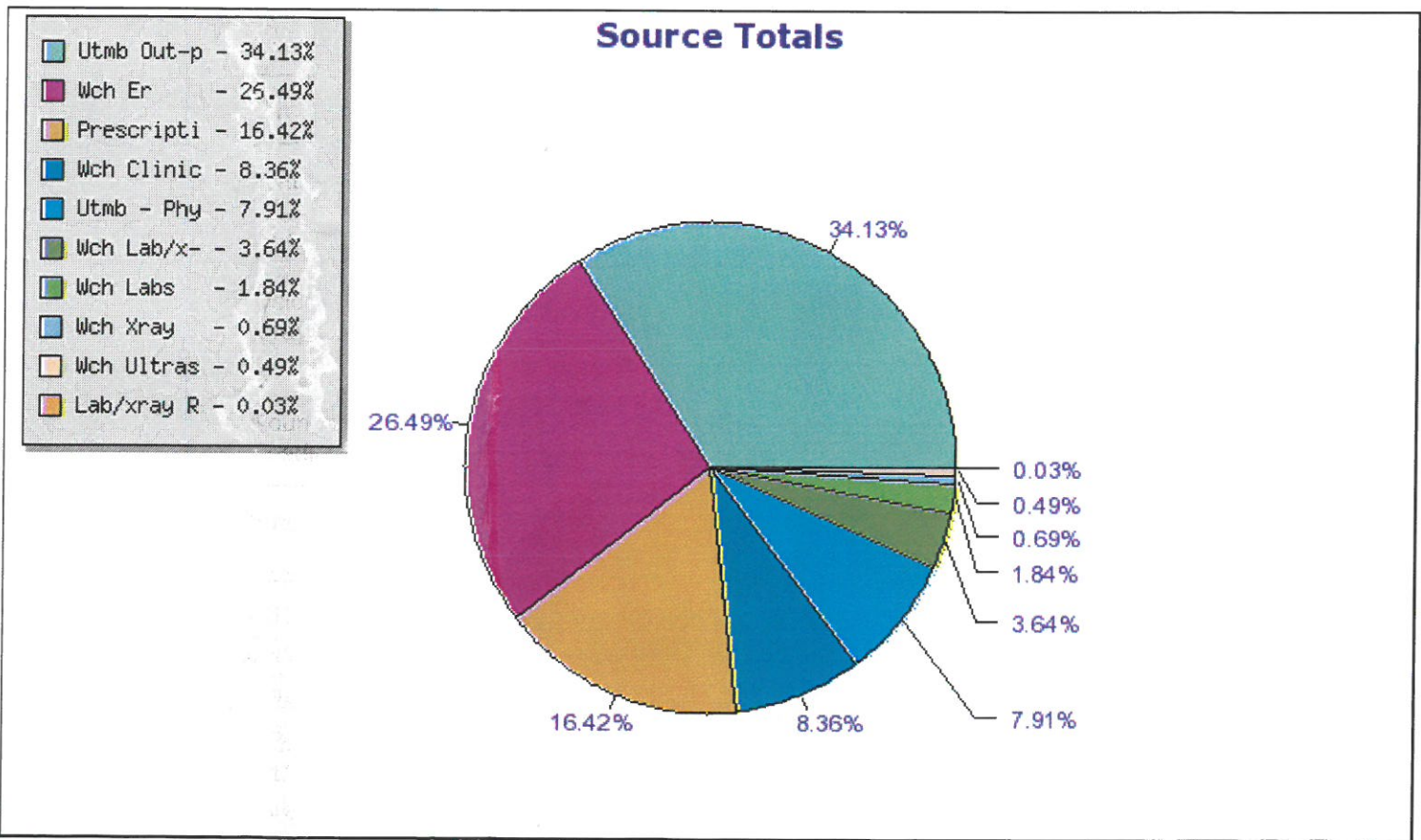
	January			
# of Clients:	66			
	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility				
Winnie Community Hospital	\$55,933.00	\$22,932.53	41.54%	\$0.00
Pharmacy				
Brookshire Brothers Pharmacy	\$8,990.41	\$8,056.18	14.59%	\$8,056.18
Wilcox Pharmacy	\$1,565.61	\$1,006.98	1.82%	\$1,006.98
Total	\$10,556.02	\$9,063.16		\$9,063.16
UTMB				
UTMB Hospital	\$78,503.23	\$18,840.76	34.13%	\$18,840.76
UTMB Physician Services	\$13,371.00	\$4,368.74	7.91%	\$4,368.74
Total	\$91,874.23	\$23,209.50		\$23,209.50
Grand Totals	\$158,363.25	\$55,205.19		\$32,272.66
Summary by Service Provided				
Prescription Drugs	\$10,556.02	\$9,063.16	16.42%	\$9,063.16
WCH Clinic	\$11,261.00	\$4,617.01	8.36%	\$0.00
WCH ER	\$35,670.00	\$14,624.70	26.49%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$2,471.00	\$1,013.11	1.84%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$656.00	\$268.96	0.49%	\$0.00
WCH Lab/Xray	\$4,901.00	\$2,009.41	3.64%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00
WCH Xray	\$930.00	\$381.30	0.69%	\$0.00
Lab/Xray readings	\$44.00	\$18.04	0.03%	\$0.00
UTMB Outpatient	\$78,503.23	\$18,840.76	34.13%	\$18,840.76
UTMB Anesthesia	\$1,680.00	\$1,155.00	2.09%	\$1,155.00
UTMB Physician Services	\$11,691.00	\$3,213.74	5.82%	\$3,213.74
Grand Totals	\$158,363.25	\$55,205.19		\$32,272.66

	Year to Date			
	66			
	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Summary by Facility				
Winnie Community Hospital	\$55,933.00	\$22,932.53	41.54%	\$0.00
Pharmacy				
Brookshire Brothers Pharmacy	\$8,990.41	\$8,056.18	14.59%	\$8,056.18
Wilcox Pharmacy	\$1,565.61	\$1,006.98	1.82%	\$1,006.98
Total	\$10,556.02	\$9,063.16		\$9,063.16
UTMB				
UTMB Hospital	\$78,503.23	\$18,840.76	34.13%	\$18,840.76
UTMB Physician Services	\$13,371.00	\$4,368.74	7.91%	\$4,368.74
Total	\$91,874.23	\$23,209.50		\$23,209.50
Grand Totals	\$158,363.25	\$55,205.19		\$32,272.66
Summary by Service Provided				
Prescription Drugs	\$10,556.02	\$9,063.16	16.42%	\$9,063.16
WCH Clinic	\$11,261.00	\$4,617.01	8.36%	\$0.00
WCH ER	\$35,670.00	\$14,624.70	26.49%	\$0.00
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$2,471.00	\$1,013.11	1.84%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$656.00	\$268.96	0.49%	\$0.00
WCH Lab/Xray	\$4,901.00	\$2,009.41	3.64%	\$0.00
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00
WCH Xray	\$930.00	\$381.30	0.69%	\$0.00
Lab/Xray readings	\$44.00	\$18.04	0.03%	\$0.00
UTMB Outpatient	\$78,503.23	\$18,840.76	34.13%	\$18,840.76
UTMB Anesthesia	\$1,680.00	\$1,155.00	2.09%	\$1,155.00
UTMB Physician Services	\$11,691.00	\$3,213.74	5.82%	\$3,213.74
Grand Totals	\$158,363.25	\$55,205.19		\$32,272.66

Source Totals for Batch Dates 01/01/2018 through 01/31/2018

Utmb Out-patient	34.13%	\$18,840.76
Wch Er	26.49%	\$14,624.70
Prescription Drugs	16.42%	\$9,063.16
Wch Clinic	8.36%	\$4,617.01
Utmb - Physician Services	7.91%	\$4,368.74
Wch Lab/x-ray	3.64%	\$2,009.41
Wch Labs	1.84%	\$1,013.11
Wch Xray	0.69%	\$381.30
Wch Ultrasound	0.49%	\$268.96
Lab/xray Readings	0.03%	\$18.04

Total Expenditures **\$55,205.19**



Entry Statistics for Entry Dates 01/01/2018 through 01/31/2018

Clients Entered	3
Rapid Reg. Entered	1
Vendors Entered	0
Worksheets Entered	9
Invoices Entered	97

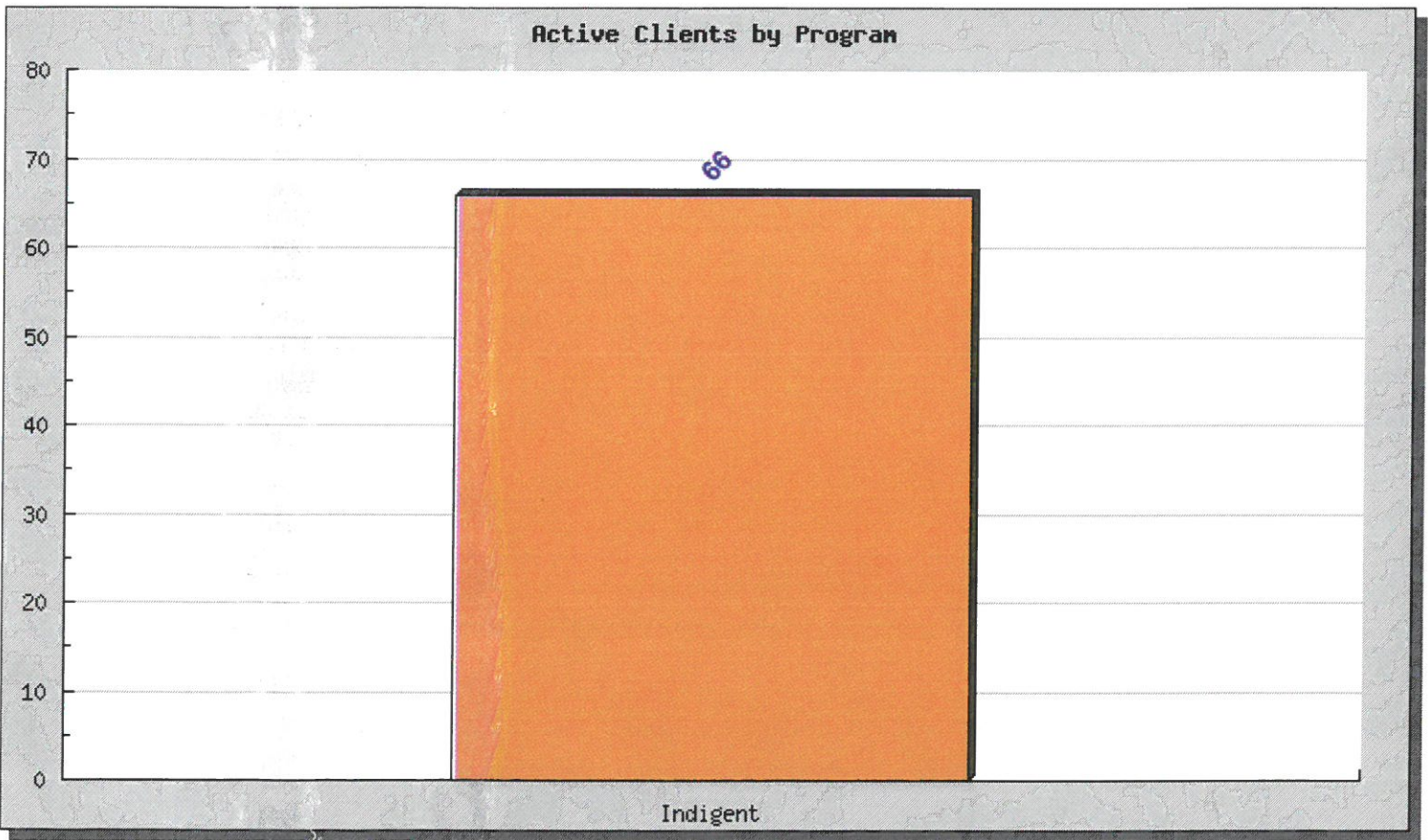
Void Statistics for Void Dates 01/01/2018 through 01/31/2018

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

Active Clients by Program for Eligibility Dates 01/01/2018 through 01/31/2018

Indigent	66
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Total Clients By Program	66
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Appointments Scheduled by Type for Appointment Dates 01/01/2018 through 01/31/2018

New Appointment	0
Renewal	12

Total Appointments Scheduled	12
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Source Totals ReportWinnie Stowel Hospital District Indigent Healthcare
Services

Batch Dates 01/31/2018 through 01/31/2018

For Vendor: All Vendors

Source	Description	Amount Billed	Amount Paid
02	Prescription Drugs	10,556.02	9,063.16
21	Wch Clinic	11,261.00	4,617.01
24	Wch Er	35,670.00	14,624.70
25	Wch Lab/x-ray	4,901.00	2,009.41
27	Wch Labs	2,471.00	1,013.11
28	Wch Xray	930.00	381.30
29	Wch Ultrasound	656.00	268.96
31	Utmb - Physician Services	13,371.00	4,368.74
34	Utmb Out-patient	78,503.23	18,840.76
44	Lab/xray Readings	44.00	18.04
Expenditures		158,363.25	55,205.19
Reimb/Adjustments		0.00	0.00
Grand Total		158,363.25	55,205.19

Source Totals Report Detail

Invoice #	Source	DOS	Amount Billed	Amount Paid
036-2833*18651*96	02	01/05/2018	373.81	175.02
036-2856*65460*16	02	01/24/2018	15.22	15.22
036-3414*65460*7	02	01/04/2018	5.00	5.00
1008*18651*15	02	01/23/2018	44.74	22.20
1063*65460*7	02	01/29/2018	25.88	25.88
1085*65460*1	02	01/30/2018	5.00	5.00
036-3413*65460*25	02	01/04/2018	40.25	40.25
036-3413*65460*25	02	01/29/2018	5.00	5.00
036-3426*65460*31	02	01/01/2018	55.00	55.00
036-3426*65460*31	02	01/12/2018	71.56	71.56
036--3424*65460*20	02	01/05/2018	222.44	185.27
036--3424*65460*20	02	01/05/2018	10.00	10.00
1014*65460*2	02	01/09/2018	33.29	33.29
1014*65460*2	02	01/09/2018	27.50	26.38
1054*65460*9	02	01/29/2018	15.00	15.00
1054*65460*9	02	01/03/2018	5.00	5.00
1060*18651*4	02	01/04/2018	9.77	4.19
1060*18651*4	02	01/04/2018	75.60	36.94
1071*65460*1	02	01/02/2018	26.35	26.35
1071*65460*1	02	01/02/2018	13.75	13.75
1082*65460*3	02	01/26/2018	15.00	15.00
1082*65460*3	02	01/09/2018	5.00	5.00
1083*65460*1	02	01/30/2018	50.00	50.00
1083*65460*1	02	01/10/2018	15.00	15.00
036-2749*65460*32	02	01/02/2018	85.05	85.05
036-2749*65460*32	02	01/22/2018	189.21	88.62
036-2749*65460*32	02	01/22/2018	137.17	137.17
036-2783*18651*80	02	01/31/2018	95.69	46.26
036-2783*18651*80	02	01/26/2018	81.87	39.84
036-2783*18651*80	02	01/26/2018	177.06	97.18

036-2811*65460*28	02	01/04/2018	1,038.89	875.86
036-2811*65460*28	02	01/06/2018	45.62	45.62
036-2811*65460*28	02	01/25/2018	335.11	277.65
036-2821*65460*11	02	01/06/2018	147.02	147.02
036-2821*65460*11	02	01/06/2018	4.44	4.44
036-2821*65460*11	02	01/23/2018	39.24	30.21
036-2942*18651*78	02	01/18/2018	43.09	21.42
036-2942*18651*78	02	01/16/2018	387.68	306.35
036-2942*18651*78	02	01/18/2018	29.75	29.75
036-3213*65460*5	02	01/02/2018	102.38	80.29
036-3213*65460*5	02	01/02/2018	26.35	26.35
036-3213*65460*5	02	01/02/2018	79.48	63.76
036-3432*65460*24	02	01/11/2018	5.00	5.00
036-3432*65460*24	02	01/11/2018	25.88	25.88
036-3432*65460*24	02	01/16/2018	5.00	5.00
1011*65460*24	02	01/03/2018	929.48	786.26
1011*65460*24	02	01/03/2018	114.28	114.28
1011*65460*24	02	01/03/2018	32.29	32.29
1030*65460*18	02	01/23/2018	94.97	94.97
1030*65460*18	02	01/23/2018	51.09	51.09
1030*65460*18	02	01/25/2018	24.75	24.75
1038*65460*14	02	01/03/2018	46.89	46.89
1038*65460*14	02	01/11/2018	1,617.22	1,367.44
1038*65460*14	02	01/11/2018	68.13	68.13
1040*18651*12	02	01/19/2018	29.84	29.84
1040*18651*12	02	01/09/2018	43.71	43.71
1040*18651*12	02	01/09/2018	27.67	19.81
1042*65460*8	02	01/08/2018	484.67	484.67
1042*65460*8	02	01/08/2018	31.69	31.69
1042*65460*8	02	01/08/2018	30.96	30.96
1051*65460*5	02	01/10/2018	484.67	484.67
1051*65460*5	02	01/10/2018	343.71	288.35
1051*65460*5	02	01/10/2018	5.00	5.00
1068*65460*4	02	01/02/2018	20.80	20.80
1068*65460*4	02	01/03/2018	138.76	138.76
1068*65460*4	02	01/09/2018	20.80	20.80
1079*65460*4	02	01/29/2018	51.22	51.22
1079*65460*4	02	01/15/2018	8.88	8.88
1079*65460*4	02	01/03/2018	51.22	51.22
1044*65460*4	02	01/24/2018	26.35	26.35
1044*65460*4	02	01/24/2018	20.71	20.71
1044*65460*4	02	01/24/2018	10.90	10.90
1044*65460*4	02	01/24/2018	10.00	10.00
1065*65460*3	02	01/11/2018	6.99	6.99
1065*65460*3	02	01/22/2018	5.00	5.00
1065*65460*3	02	01/30/2018	45.46	45.46
1065*65460*3	02	01/30/2018	27.50	26.38
1072*65460*4	02	01/05/2018	6.57	6.57
1072*65460*4	02	01/05/2018	54.14	54.14
1072*65460*4	02	01/05/2018	79.48	63.76
1072*65460*4	02	01/05/2018	10.25	10.25
036-2815*65460*7	02	01/03/2018	15.00	15.00
036-2815*65460*7	02	01/03/2018	35.35	35.35
036-2815*65460*7	02	01/03/2018	34.40	34.40
036-2815*65460*7	02	01/03/2018	5.00	5.00
036-2815*65460*7	02	01/03/2018	5.00	5.00
036-3364*18651*47	02	01/17/2018	20.00	20.00
036-3364*18651*47	02	01/17/2018	22.85	22.85
036-3364*18651*47	02	01/17/2018	23.62	12.76

036-3364*18651*47	02	01/17/2018	24.00	24.00
036-3364*18651*47	02	01/17/2018	54.86	54.86
1019*65460*17	02	01/02/2018	80.40	53.78
1019*65460*17	02	01/02/2018	5.00	5.00
1019*65460*17	02	01/02/2018	56.96	56.96
1019*65460*17	02	01/02/2018	5.00	5.00
1019*65460*17	02	01/30/2018	5.00	5.00
1023*65460*10	02	01/02/2018	5.00	5.00
1023*65460*10	02	01/15/2018	26.35	26.35
1023*65460*10	02	01/15/2018	13.98	13.98
1023*65460*10	02	01/30/2018	44.55	44.55
1023*65460*10	02	01/30/2018	5.00	5.00
1043*65460*12	02	01/05/2018	26.19	26.19
1043*65460*12	02	01/05/2018	5.00	5.00
1043*65460*12	02	01/08/2018	10.00	10.00
1043*65460*12	02	01/31/2018	10.00	10.00
1043*65460*12	02	01/31/2018	7.50	7.50
1049*65460*10	02	01/03/2018	5.00	5.00
1049*65460*10	02	01/04/2018	85.08	85.08
1049*65460*10	02	01/04/2018	38.41	38.41
1049*65460*10	02	01/19/2018	5.00	5.00
1049*65460*10	02	01/30/2018	12.00	12.00
036-3067*65460*8	02	01/04/2018	5.00	5.00
036-3067*65460*8	02	01/08/2018	27.84	27.84
036-3067*65460*8	02	01/19/2018	27.50	26.38
036-3067*65460*8	02	01/22/2018	47.19	47.19
036-3067*65460*8	02	01/22/2018	30.30	30.30
036-3067*65460*8	02	01/22/2018	14.90	14.90
J392*65460*1	02	01/11/2018	72.50	57.83
J392*65460*1	02	01/11/2018	45.41	45.41
J392*65460*1	02	01/17/2018	5.00	5.00
J392*65460*1	02	01/17/2018	5.00	5.00
J392*65460*1	02	01/17/2018	10.00	10.00
J392*65460*1	02	01/18/2018	9.28	9.28
1024*65460*17	02	01/09/2018	20.71	20.71
1024*65460*17	02	01/09/2018	5.00	5.00
1024*65460*17	02	01/09/2018	27.50	26.38
1024*65460*17	02	01/19/2018	5.44	5.44
1024*65460*17	02	01/19/2018	27.50	26.38
1024*65460*17	02	01/23/2018	27.05	27.05
1024*65460*17	02	01/29/2018	12.54	12.54
1046*65460*11	02	01/02/2018	38.00	19.83
1046*65460*11	02	01/02/2018	5.00	5.00
1046*65460*11	02	01/02/2018	25.88	25.88
1046*65460*11	02	01/02/2018	33.77	33.77
1046*65460*11	02	01/02/2018	11.00	11.00
1046*65460*11	02	01/03/2018	13.02	13.02
1046*65460*11	02	01/03/2018	10.00	10.00

43 invoices, 137 line items

10,556.02

9,063.16

036-2783*63057*13	21	01/31/2018	224.00	91.84
036-2815*63057*6	21	01/23/2018	224.00	91.84
1008*63057*14	21	01/23/2018	295.00	120.95
1014*63057*3	21	01/09/2018	518.00	212.38
1023*63057*5	21	01/15/2018	107.00	43.87
1030*63057*17	21	01/22/2018	224.00	91.84
1044*63057*5	21	01/24/2018	107.00	43.87
1071*63057*2	21	01/02/2018	107.00	43.87

036-3067*63057*11	21	01/04/2018	224.00	91.84
036-3067*63057*11	21	01/19/2018	586.00	240.26
036-3067*63057*11	21	01/22/2018	305.00	125.05
1024*63057*16	21	01/09/2018	292.00	119.72
1024*63057*16	21	01/19/2018	338.00	138.58
1024*63057*16	21	01/23/2018	224.00	91.84
036-3213*63057*10	21	01/05/2018	305.00	125.05
036-3213*63057*10	21	01/20/2018	304.00	124.64
036-3213*63057*10	21	01/21/2018	304.00	124.64
036-3213*63057*10	21	01/19/2018	599.00	245.59
J392*63057*1	21	01/18/2018	339.00	138.99
J392*63057*1	21	01/30/2018	296.00	121.36
1043*63057*8	21	01/08/2018	224.00	91.84
1043*63057*8	21	01/31/2018	224.00	91.84
1065*63057*3	21	01/30/2018	644.00	264.04
1040*63057*2	21	01/26/2018	263.00	107.83
1083*63057*1	21	01/10/2018	263.00	107.83
1083*63057*1	21	01/30/2018	224.00	91.84
1051*63057*4	21	01/10/2018	263.00	107.83
1051*63057*4	21	01/11/2018	107.00	43.87
1011*63057*20	21	01/11/2018	200.00	82.00
1011*63057*20	21	01/18/2018	150.00	61.50
1011*63057*20	21	01/27/2018	304.00	124.64
1011*63057*20	21	01/28/2018	304.00	124.64
1011*63057*20	21	01/26/2018	216.00	88.56
1011*63057*20	21	01/29/2018	224.00	91.84
036-3413*63057*9	21	01/11/2018	374.00	153.34
1042*63057*7	21	01/08/2018	224.00	91.84
1042*63057*7	21	01/11/2018	907.00	371.87
1042*63057*7	21	01/22/2018	224.00	91.84

20 invoices, 38 line items

11,261.00 4,617.01

1070*63057*6	24	01/20/2018	6,584.00	2,699.44
1072*63057*4	24	01/03/2018	2,502.00	1,025.82
1073*63057*4	24	08/02/2017	1,815.00	744.15
1077*63057*3	24	01/24/2018	3,933.00	1,612.53
1024*63057*16	24	01/14/2018	1,213.00	497.33
036-3213*63057*10	24	01/01/2018	1,301.00	533.41
J392*63057*1	24	01/16/2018	749.00	307.09
J392*63057*1	24	01/26/2018	1,117.00	457.97
1043*63057*8	24	01/02/2018	6,462.00	2,649.42
1065*63057*3	24	01/11/2018	1,234.00	505.94
1065*63057*3	24	01/20/2018	786.00	322.26
1040*63057*2	24	01/05/2018	883.00	362.03
1040*63057*2	24	01/21/2018	1,680.00	688.80
1049*63057*5	24	01/18/2018	5,411.00	2,218.51

11 invoices, 14 line items

35,670.00 14,624.70

1040*63057*2	25	01/26/2018	1,381.00	566.21
1040*63057*2	25	01/31/2018	1,405.00	576.05
1083*63057*1	25	01/10/2018	2,115.00	867.15

2 invoices, 3 line items

4,901.00 2,009.41

1051*63057*4	27	01/10/2018	1,013.00	415.33
1011*63057*20	27	01/18/2018	1,329.00	544.89

1011*63057*20	27	01/25/2018	129.00	52.89
2 invoices, 3 line items			2,471.00	1,013.11
036-3413*63057*9	28	01/11/2018	310.00	127.10
1042*63057*7	28	01/11/2018	620.00	254.20
2 invoices, 2 line items			930.00	381.30
1043*63057*8	29	01/22/2018	656.00	268.96
1 invoices, 1 line items			656.00	268.96
1061*63615*1	31	12/21/2017	273.00	76.44
1070*63615*2	31	12/20/2017	415.00	95.54
1073*63615*3	31	12/28/2017	23.00	8.02
1074*63615*4	31	12/18/2017	23.00	7.70
1076*63615*2	31	11/27/2017	183.00	39.92
1078*63615*3	31	12/07/2017	270.00	56.08
1079*63615*1	31	12/14/2017	188.00	48.32
1082*63615*2	31	12/11/2017	270.00	75.60
1040*63615*3	31	12/22/2017	1,680.00	1,155.00
1040*63615*3	31	12/22/2017	2,300.00	644.00
1040*63615*3	31	12/22/2017	1,610.00	450.80
1040*63615*3	31	12/22/2017	1,046.00	292.88
1040*63615*3	31	12/22/2017	2,550.00	714.00
1040*63615*3	31	12/22/2017	1,006.00	281.68
1040*63615*3	31	12/22/2017	714.00	199.92
1040*63615*3	31	12/22/2017	410.00	114.80
1040*63615*3	31	11/30/2017	270.00	56.08
1040*63615*3	31	11/29/2017	140.00	51.96
9 invoices, 18 line items			13,371.00	4,368.74
1061*63614*1	34	12/21/2017	390.00	93.60
1070*63614*2	34	12/20/2017	1,020.00	244.80
1074*63614*4	34	12/18/2017	626.00	150.24
1076*63614*2	34	11/27/2017	323.00	77.52
1078*63614*3	34	12/07/2017	323.00	77.52
1079*63614*1	34	12/14/2017	391.00	93.84
1082*63614*2	34	12/11/2017	323.00	77.52
1073*63614*2	34	11/15/2017	39,685.15	9,524.43
1073*63614*2	34	11/30/2017	291.00	69.84
1040*63614*3	34	11/30/2017	323.00	77.52
1040*63614*3	34	11/29/2017	1,021.00	245.04
1040*63614*3	34	12/22/2017	33,787.08	8,108.89
9 invoices, 12 line items			78,503.23	18,840.76
1049*63057*5	44	10/19/2017	44.00	18.04
1 invoices, 1 line items			44.00	18.04
Grand Totals			158,363.25	55,205.19

86 invoices listed.
229 line items listed.

Exhibit “B”

Winnie-Stowell Hospital District

Executive Summary of Nursing Home Monthly Site Visits

January 2018

Facility	Operator		Comments
Park Manor of Cypress Station	HMG		Census: 89. The facility had their annual survey in November 2017, there were six deficiencies and four fire code safety deficiencies. There were 11 reportable incidents since the last visit, none of them were substantiated. Staffing and falls at this facility are trending in a positive direction.
Park Manor of Humble	HMG		Census: 106. Facility had their annual survey in August 2017. All deficiencies have been cleared. Four reportable incidents since the last visit, all were unsubstantiated following state review. There were no compliance issues noticed on the visit.
Park Manor of Westchase	HMG		Census: 101. The facility is currently in their survey window. Two reportable incidents since the last visit, both were unsubstantiated following state review. Facility has implemented a “falling star” program to identify the residents that fall the most.
Park Manor of Cyfair	HMG		Census 97. The facility is currently in their survey window. There were two reportable incidents since the last visit, both unsubstantiated. The facility has some staffing needs but is maintaining pretty well considering. There were no compliance issues noticed during the visit.
Monument Hill Rehabilitation and Nursing Center (MHRNC)	Genesis		Census: 66. The facility had their survey in October, there were several minor tags and two “F” tags. The facility is now in compliance with the state. No reportable incidents since the last visit. The evacuees from Hurricane Harvey are expected to leave the facility in February, this should stabilize the census.
Oakland Manor Nursing Center (OKLD)	Genesis		Census: 57. The facility had their annual survey this month, the survey went really well. The facility received eight minor tags and has sent a plan of correction to the state. Two reportable incidents since the last visit, both have been cleared. The facility is doing a good job staying within the budget.

<p>Hallettsville Rehabilitation and Nursing Center (HRNC)</p>	<p>Genesis</p>		<p>Census: 64. The facility will be in their survey window in February 2018. There were two reportable incidents since the last visit, the state has not yet investigated. The facility is looking to reduce their levels in some of the metrics, the staff and management team have come up with a plan to have better metrics.</p>
<p>Oak Manor Nursing Center (OMNC)</p>	<p>Genesis</p>		<p>Census: 49. Facility had their survey in September 2017, they received 18 tags total, none were major. They have been cleared via desk review. There were two reportable incidents since the last visit, they have not yet been investigated. The facility is still trying to cope with the influx of evacuees from the hurricane. They are having to use agency staffing to make up for nurses.</p>

CONTACT

Chrystal Stalder – Administrator
Regional COO

FACILITY

Park Manor Cypress Station is a 125-bed facility with a current quality star rating of 2. The census on the date of this visit was 89: Private Pay 3, HMO 10, Medicare 11, Medicaid 59 and Hospice 6.

The Administrator and Regional COO were present at the site visit and provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. Facility does have a pulmonary hall with piped in O2 and signs posted appropriately. All staff encountered were very friendly with appropriate interaction.

Kitchen area with current chem strip and refrigerator/freezer temperature logs and fire extinguisher inspection. Laundry room clean and organized with current logs and no lint on dryer traps. Medication room observed clean and organized but temperature log not current since December 15, 2017. Linen closet observed was clean and organized with the required ceiling distance maintained, gait belts on floor picked up by Administrator during tour.

Resident rooms observed were well maintained and organized with no safety hazards identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Several residents gathered in dining room for church singing as per calendar posted. Menu passed out to each resident every morning. Activity calendar posted in common area and in each room.

SURVEY

The facility's last survey was conducted in November of 2017 with 6 deficiencies (2 quality of care, 3 resident assessment and 1 environment) and 4 fire safety code deficiencies.

REPORTABLE INCIDENTS

In the previous quarter there were 11 self-reports and 3 complaints:

- 9/18/17- Self Report- Abuse- Unsubstantiated
- 9/15/17- Self Report- Abuse- Unsubstantiated
- 9/26/17- Self Report- Abuse- Unsubstantiated
- 10/31/17- Self Report- Abuse- Unsubstantiated

- 10/31/17- Complaint Visit- unsubstantiated
- 11/1/17- Self Report- Misappropriation- Unsubstantiated
- 11/10/17- Self Report- Abuse-Unsubstantiated
- 11/12/17- Complaint Visit- Unsubstantiated
- 11/16/17- Self Report- Abuse- Unsubstantiated
- 11/20/17- Self Report -Abuse- Unsubstantiated

CLINICAL TRENDING

Incidents/Falls:

Sept/Oct/Nov – 45 falls with 3 minor injuries and no major injuries.

Additional incidents for Sept/Oct/Nov included 3 skin tears, 1 elopement and 1 behavior.

Infection Control:

Facility reports 27 total infections for Sept/Oct/Nov – 12 UTIs, 8 respiratory infections (4 URIs), 1 wound infection, 2 GI infections, 1 blood infection, and 3 other infections (no details provided). All facility acquired but no trending identified.

Weight loss:

Weight loss reported in Sept/Oct/Nov – Seven residents with 5-10% weight loss. Two residents on hospice and 3 were desired losses.

Pressure Ulcers:

In Sept/Oct/Nov there were 40 residents with 82 pressure ulcer sites – 4 acquired in house.

Restraints:

No restraints in facility for Sept/Oct/Nov.

Staffing:

Currently the facility is fully staffed.

Quality Indicators from Sept/Oct/Nov CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	0%	11.48%	13.66%	
New/Worsened Pressure Ulcers (S)	2.0%	.81%	.88%	
New Psychoactive Med Use (S)	1.15%	2.66%	1.99%	Facility has implemented daily review of residents on these medications (several residents are admitted with these meds) and if appropriate gradual dose reductions are ordered. Also meet monthly with pharmacy and psychiatrist. Also, identifying residents missing correct diagnoses that are appropriate for them to be on the meds.
Fall w/Major Injury (L)	0%	3.49%	3.37%	
UTI (L)	1.8%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	0%	4.75%	5.57%	
High risk with pressure ulcers (L)	0%	6.16%	5.6%	
Loss of Bowel/Bladder Control(L)	63%	49.54%	47.72%	Dropped by 17% from previous quarter, some coding issues, some residents started on toileting and restorative program.
Catheter(L)	1.47%	1.89%	1.86%	
Physical restraint(L)	0%	.2%	.43%	
Increased ADL Assistance(L)	23.1%	18.72%	14.98%	This number has now dropped once coding errors corrected by new rehab director.
Excessive Weight Loss(L)	1.8%	5.76%	7.08%	

Depressive symptoms(L)	1.7%	3.78%	4.87%	
Antipsychotic medication (L)	13.7%	16.82%	15.68%	

QIPP Component 1 Quality Metric for QTR Sept/Oct/Nov 2017				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report	9/14/17, 10/12/17, 11/20/17	9/14/17, 10/12/17, 11/20/17	Y	NA

QIPP Component 2 (Modest) Quality Metrics for QTR –Sept/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	3.9%	0%	Y	NA
High Risk W/Pressure Ulcers	5.67%	6.6%	2.9%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	12.5%	23.7%	N	PIP in place – pharmacy and psychiatrist reviewed all charts of residents on antipsychotic meds once and then again 1 month later, to ensure appropriate diagnosis and correctly coded in MDS and if yes, also checked to see if there

					was an alternative drug that could be used. If no, resident was gradually taken off the drug and prescribed more appropriate med, if indicated.
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QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	3.9%	0%	Y	NA
High Risk W/Pressure Ulcers	5.67%	6.6%	3.2%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	12.5%	12.5%	Y	NA

CONTACT

Larry Beltran – Administrator
Michelle Corn, RN – DON
Regional COO

FACILITY

Park Manor Humble is a 125-bed facility with a current quality star rating of 2. The census on the date of this visit was 106: Private Pay 3, HMO 24, Medicare 9, Medicaid 68, and Hospice 2.

The Administrator, DON and regional COO were present at the site visit and provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter.

Kitchen area preparing lunch and cleaning up after breakfast with current chem strip and refrigerator/freezer temperature logs. Food storage area clean, slightly cluttered with required ceiling distance met. Laundry room clean and organized with current logs and no lint on dryer traps. Medication room observed cluttered with multiple dc medications to be reviewed and temperature log for refrigerator behind 2 days. Shower room clean but with musty odor (noted odor may be from trash barrel just rolled in out of hall). Fire extinguisher on rehabilitation hall with current inspection.

Resident rooms observed were well maintained and organized with no safety hazards identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Several long term residents gathered in their activity room watching TV and setting up for next activity as per calendar posted. Menu passed out to each resident every morning. Activity calendar posted in common area and in each room.

SURVEY

The facility had their annual full book survey in August of 2017.

REPORTABLE INCIDENTS

In the previous quarter there were no complaints and 4 self-reports (all for abuse), all investigated and found not substantiated by state. Facility did terminate one staff member.

CLINICAL TRENDING**Incidents/Falls:**

Sept/Oct/Nov – 42 falls with no major or minor injuries

Additional incidents for Sept/Oct/Nov included 1 skin tear, and no other incidents.

Infection Control:

Facility reports 41 total infections for Sept/Oct/Nov – 19 UTIs (7 facility acquired), 13 URIs (5 facility acquired), 5 wound infections (all admitted with), 2 blood infections (both admitted with), 2 GI infections (both admitted with). No trending identified.

Weight loss:

Weight loss reported in Sept/Oct/Nov – Four residents with 5-10% weight loss.

Pressure Ulcers:

In Sept/Oct/Nov there were 30 residents with 64 pressure ulcer sites – 2 acquired in house.

Restraints:

No restraints in facility for Sept/Oct/Nov.

Staffing:

Currently the facility is in need of one LVN, one CAN, one housekeeper and one dietary aide for the 6-2 shift and one LVN and two CNAs for the 2-10 shift.

Quality Indicators from Sept/Oct/Nov CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	7.9%	11.48%	13.66%	
New/Worsened Pressure Ulcers (S)	0%	.81%	.88%	
New Psychoactive Med Use (S)	0%	2.66%	1.99%	
Fall w/Major Injury (L)	0%	3.49%	3.37%	
UTI (L)	0%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	1.3%	4.75%	5.57%	

High risk with pressure ulcers (L)	3.9%	6.16%	5.6%	
Loss of Bowel/Bladder Control(L)	75%	49.54%	47.72%	No additional information provided
Catheter(L)	2.7%	1.89%	1.86%	No additional information provided
Physical restraint(L)	0%	.2%	.43%	
Increased ADL Assistance(L)	7.5%	18.72%	14.98%	
Excessive Weight Loss(L)	8.2%	5.76%	7.08%	No additional information provided
Depressive symptoms(L)	2.9%	3.78%	4.87%	
Antipsychotic medication (L)	2.7%	16.82%	15.68%	

QIPP Component 1 Quality Metric for QTR –Sept/Oct/Nov 2017				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report	9/21/17, 10/19/17, 11/14/17	9/21/17, 10/19/17, 11/14/17	Y	NA

QIPP Component 2 (Modest) Quality Metrics for QTR –Sep/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	1.7%	1.62%	Y	NA
High Risk W/Pressure Ulcers	5.67%	10.3%	9.79%	Y	NA
Physical restraints	.53%	.3%	.29%	Y	NA
Antipsychotic medication	16.06%	16.7%	15.87%	Y	NA
QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	1.7%	1.62%	Y	NA
High Risk W/Pressure Ulcers	5.67%	10.3%	9.79%	Y	NA
Physical restraints	.53%	.3%	.29%	Y	NA
Antipsychotic medication	16.06%	16.7%	15.87%	Y	NA

CONTACT

Olivia Hall – Administrator
Mike Walker, RN - DON

FACILITY

Park Manor Westchase is a 125-bed facility with a current overall star rating of 2 and a quality star rating of 4. The census on the date of this visit was 101: Private Pay 11, HMO 8, Medicare 12, Medicaid 68 and Hospice 2.

The Administrator and DON were present at the site visit and provided clinical information and tour of facility. Walk up curb appeal well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. Tasteful Valentine's Day decorations observed throughout the facility. DON reports the facility recently implemented multi-cultural program with new Asian menu as well as new phone message now in 5 languages.

Laundry room clean and organized with current logs and no lint on dryer trap that was observed. Kitchen area getting ready for lunch. Observed current chem strip and refrigerator/freezer temperature logs. Medication room cool and organized with current refrigerator temperature log. DON reports facility implementing E-kit for narcotics next month (anticipate it will help with pain control for residents admitted late in day/middle of night). Several wheelchairs lined up outside for scheduled cleaning by maintenance.

Resident rooms observed were well maintained and organized with no safety hazards or odors identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Menu passed out to each resident every morning. Activity calendar posted in common area and in each room. Residents in dining room participating in bingo and other activities per calendar posted.

SURVEY

The facility is currently in their survey window for 2017/2018 and anticipate survey any day.

REPORTABLE INCIDENTS

In Sept/Oct/Nov there were 2 self - reports and no complaints:

- Self-Report of allegation of abuse– Resident on anti-coagulant and husband frequently lifting her with result of bruising. Facility and state investigated and unsubstantiated.

- Self-Report of allegation of Neglect by van driver – Driver forgot to clasp resident wheelchair strap. Re-education done with maintenance director and driver and updated policy and procedure as well as posted red flag sign in van to check straps. Facility and state investigated and unsubstantiated.

CLINICAL TRENDING

Incidents/Falls:

Sept/Oct/Nov – 49 falls with 2 major injuries of hematomas. 5 of the falls were by 2 residents. Facility holds weekly fall meetings to identify those residents at risk and implemented the “Falling Star” program (placing star sticker outside and inside resident’s room as indication they are at risk for falls). Staff have been re-educated on fall prevention and a restorative aide has been added to ease implementation of bowel and bladder training program.

Additional incidents for Sept/Oct/Nov included 11 skin tears, 6 bruises, and 1 laceration.

Infection Control:

Facility reports 77 total infections for Sept/Oct/Nov – 28 UTIs (13 facility acquired), 9 URIs, 7 wound infections, 2 GI infections, 1 EENT infection, and 30 other infections (no details provided). No trending identified.

Weight loss:

Weight loss reported in Sept/Oct/Nov – Two residents with 5-10% weight loss and two residents with over 10% loss. One of the residents was taken off of an appetite stimulant and started losing weight so stimulant re-ordered as well as therapy now ordered. One of the residents is not eating very much but family not ready for hospice or PEG tube. Two residents are on dialysis and require more snacks/protein and some of the dietary restrictions make choices challenging, one of them now on Megace and speech therapy.

Pressure Ulcers:

In Sept/Oct/Nov there were 15 residents with 18 pressure ulcer sites – 3 acquired in house.

Restraints:

No restraints in facility for Sept/Oct/Nov.

Staffing:

Currently the facility is staffed except for need of one CNA for the 6-2 shift.

Quality Indicators from Sept/Oct/Nov CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	3.3%	11.48%	13.66%	
New/Worsened Pressure Ulcers (S)	0%	.81%	.88%	
New Psychoactive Med Use (S)	1.15%	2.66%	1.99%	
Fall w/Major Injury (L)	2.5%	3.49%	3.37%	
UTI (L)	0%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	0%	4.75%	5.57%	
High risk with pressure ulcers (L)	5%	6.16%	5.6%	
Loss of Bowel/Bladder Control(L)	89.74%	49.54%	47.72%	Administrator reports the facility is looking at implementing a new bowel and bladder program with their restorative department within the next month, just added a restorative aide. Also looking at MDS coding with corporate for training MDS coders.
Catheter(L)	1.47%	1.89%	1.86%	
Physical restraint(L)	0%	.2%	.43%	
Increased ADL Assistance(L)	23.19%	18.72%	14.98%	Facility conducting MDS coding training and CNA documentation training
Excessive Weight Loss(L)	5.41%	5.76%	7.08%	

Depressive symptoms(L)	0%	3.78%	4.87%	
Antipsychotic medication (L)	16.22%	16.82%	15.68%	Administrator reports the facility continues with weekly interdepartmental anti-psychotic medication reduction meeting – Looking at residents on anti-psychotic meds one at a time to determine and ensure appropriate/accurate diagnosis and if yes, can the resident’s dosage be decreased or a different medication ordered. If no supportive diagnosis, medication reduced and discontinued. Also looking at PRN orders and discontinued as indicated. Administrator reports the current results continue to show a significant improvement in this measurement.



Park Manor of Westchase
 11910 Richmond Ave. Houston, TX 77082 Site Visit:
 1/29/2018

QIPP Component 1 Quality Metric for QTR-Sept/Oct/Nov 2017				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report	9/14, 10/19, 11/15	Corporate sends	Y	NA

QIPP Component 2 (Modest) Quality Metrics for QTR - Sept/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met	

				Y/N	
Falls W/Major Injury	3.35%	1%	1.2%	Y	NA
High Risk W/Pressure Ulcers	5.67%	5.4%	4.7%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	24.7%	11.8%	Y	NA

QIPP Component 3 (High) Quality Metrics for QTR – Sept/Oct/Nov					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	3.4%	1.2%	Y	NA
High Risk W/Pressure Ulcers	5.67%	5.7%	4.7%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	16.19%	11.8%	Y	NA

CONTACT

John – Administrator
Dee Linden, RN - DON

FACILITY

Park Manor Cyfair is a 120-bed facility with a current overall and quality star rating of 4. The census on the date of this visit was 97: Private Pay 13, HMO 4, Medicare 12, Medicaid 62, and Hospice 6.

The Administrator and DON were present at the site visit and provided clinical information and tour of facility. Walk up curb appeal continues to be well maintained. All common areas of the facility are well kept, clean and no safety issues noted. Hallways are free of clutter. Tasteful fall decorations observed throughout the facility.

Kitchen area very organized, staff cleaning up after breakfast. Observed current chem strip and refrigerator/freezer temperature logs. Laundry room clean and very organized with current logs and no lint on dryer traps. Medication room observed very clean and organized with current temperature log on refrigerator. Facility does not have closets stocked with linen, instead the laundry room prepares carts that are signed out by staff.

Resident rooms observed were well maintained and organized with no safety hazards or odors identified. Each resident observed was dressed appropriately and well groomed with appropriate staff interaction. Several residents gathered in common area watching TV. Resident equipment clean and well maintained. Menu posted in dining room and passed out to each resident with every tray. Residents are offered a "Meal of the Month" each month. Activity calendar posted in common area and in each room.

SURVEY

The facility had their annual full book survey in March of 2017 and are currently in their survey window.

REPORTABLE INCIDENTS

In the previous quarter there were no complaints and 2 self-reports:

- Alleged abuse. The state investigated and it was unsubstantiated.
- Two residents with altercation. The state investigated and it was unsubstantiated.

CLINICAL TRENDING

Incidents/Falls:

Sept/Oct/Nov – 50 falls with 15 minor injuries and no major injuries.

Additional incidents for Sept/Oct/Nov included 13 skin tears, 6 bruises, 1 elopement, 2 behaviors and 1 other (bloody toenail).

Infection Control:

Facility reports 85 total infections for Sept/Oct/Nov – 15 UTIs, 18 respiratory infections (17 URIs), 4 wound infections, 5 GI infections, 4 blood infections, and 36 other infections (no details provided). 46 infections were facility acquired and no trending identified.

Weight loss:

Weight loss reported in Sept/Oct/Nov – Eleven residents with weight loss (2 desired), five with 5-10% loss and six with greater than 10% loss. No other details provided.

Pressure Ulcers:

In Sept/Oct/Nov there were 18 residents with 30 pressure ulcer sites (one resident had 10 ulcers) – 2 acquired in house.

Restraints:

No restraints in facility for Sept/Oct/Nov.

Staffing:

Currently the facility is in need of three CNAs for the 6-2 shift and four CNAs on the 2-10 shift.

Quality Indicators from Sept/Oct/Nov CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Sev Pain (S)	11.1%	11.48%	13.66%	

New/Worsened Pressure Ulcers (S)	.4%	.81%	.88%	
New Psychoactive Med Use (S)	13.6%	2.66%	1.99%	Currently no PIP in place but social services, psychiatrist, pharmacy, unit managers and DON meet quarterly. If admitted with PRN anti-psychotic medication, it is discontinued.
Fall w/Major Injury (L)	1.1%	3.49%	3.37%	
UTI (L)	0%	3.43%	3.66%	
Self-Reported Mod/Sev Pain (L)	0%	4.75%	5.57%	
High risk with pressure ulcers (L)	7.8%	6.16%	5.6%	Administrator and DON report the facility has increased rounds for turning residents, working on improving early identification with stop and watch. Treatment nurse at facility 7 days per week and wound physician on site 2 days per week
Loss of Bowel/Bladder Control(L)	58.6%	49.54%	47.72%	Therapy and restorative in place
Catheter(L)	2.4%	1.89%	1.86%	All residents with appropriate diagnosis
Physical restraint(L)	0%	.2%	.43%	
Increased ADL Assistance(L)	16.8%	18.72%	14.98%	Therapy and restorative programs in place, high population of older residents
Excessive Weight Loss(L)	4.4%	5.76%	7.08%	
Depressive symptoms(L)	06%	3.78%	4.87%	DON believes this is most likely due to the staff doing a better job in assessing for and documenting resident depression/symptoms
Antipsychotic medication (L)	9.3%	16.82%	15.68%	

QIPP Component 1 Quality Metric for QTR Sept/Oct/Nov 2017				
Indicator	QAPI Mtg Date	Date Report Submitted	Met Y/N	PI Implemented
QAPI Validation Report	9/20/17, 10/11/17, 11/20/17	9/20/17, 10/11/17, 11/20/17	Y	NA

QIPP Component 2 (Modest) Quality Metrics for QTR –Sept/Oct/Nov 2017					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	
Falls W/Major Injury	3.35%	3.6%	1.1%	Y	NA
High Risk W/Pressure Ulcers	5.67%	8.3%	5%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	9.4%	11.8%	Y	NA

QIPP Component 3 (High) Quality Metrics for QTR – 1 2018 projected					PI Implemented
Indicator	Benchmark	Baseline Target	Results	Met Y/N	



Park Manor of Cyfair
11001 Crescent Moon Dr., Houston, TX 77064 Visit:
2/1/2018

Falls W/Major Injury	3.35%	3.6%	1.1%	Y	NA
High Risk W/Pressure Ulcers	5.67%	8.3%	5%	Y	NA
Physical restraints	.53%	0%	0%	Y	NA
Antipsychotic medication	16.06%	9.4%	11.8%	Y	NA

CONTACT:

Administrator: Ms. Margie McKee

The site visit was conducted on January 23, 2018. Ms. McKee has been the administrator for thirteen years. . The facility was built in 1986 and is licensed for 108 beds. The facility looked very nice. There were no odors throughout the facility. For this time of the year, the outside grounds looked very nice. Staff was very friendly and the residents seem to be well cared for.

FACILITY:

The census target is 58 and the current census is 66. The breakdown is; Medicare-4; Medicaid-33; Private Pay-25; Private Insurance-4, Hospice-.

SURVEY:

The facility had their full-book survey the second week of October. The facility had several minor tags and two 'f' tags. One tag was in the dietary department involving sanitation and the other was life, safety, code for an outlet that had not been designated as an emergency outlet. All deficiencies have been corrected and cleared by the state.

REPORTABLE INCIDENTS:

None since the last visit

CLINICAL TRENDING:**Infections:**

The infection rate was below the threshold set by infection control. 4%

WEIGHT LOSS:

The facility had no unexpected weight loss or gain issues. 3% 180 days.

ADDITIONAL COMMENT:

The facility has a higher number of residents due to the recent hurricane in Texas. These residents are due to leave sometime in the month of February.

Restraints-0

Pressure ulcers- total 9%. 4% were on new admissions. 5% in-house.

Falls with Major injuries- 5.3%. None for the month of December.

Anti-psychotics- Overall 17%. The facility is working with the pharmacy consultant and the medical director to bring the percentage down.

Staffing is in good shape except for the need of 7 CNAs. When the extra residents leave next month, staffing will be good in all areas.

The extra residents have helped exceed the budget in expenses and revenue.

CONTACT:

Administrator: Mr. Tony Vargas

Site visit was conducted January 23, 2018. Mr. Vargas has been in the facility for four months.

The facility was built in 1991 and is a very nice facility. The facility is licensed for 106 residents.

The facility looked very clean and no odors were noticed throughout the facility. The outside grounds were very well kept.

FACILITY:

The census target is 48 and the current census is 57. The census breakdown is; Medicare-8; Medicaid-26; Private Pay-18; Private Insurance-2; Hospice-1; Pending Status-2.

SURVEY:

The facility had their full-book survey the second week of January. Mr. Vargas was very pleased with the outcome of the survey. This survey was done under the new guidelines. The facility had four very minor health tags and four minor life, safety tags. Plan of correction is being prepared to be sent in next week.

REPORTABLE INCIDENTS:

The facility had two reportable incidents for December. Lights stopped working on the fire panel box. It has been repaired. A report of an injury of unknown origin was sent in but found out later it was a reaction from medicine. All have been cleared.

CLINICAL TRENDING:**Infections:**

The infection rate was over the thresholds for infection control. The facility reported two urinary tract infections, three upper respiratory infections and one drug multi-drug reaction. All have been treated and are responding well to treatments.

Weight Loss:

No issues.

ADDITIONAL COMMENTS:

Staffing is in good shape at this time.

Mr. Vargas said the facility is staying well within the budgeted targets.

The staff is working hard on the quality measures;

Restraints; 0

Falls with major injuries; one for the quarter. No new falls with major injury.

Anti-psychotics; 6.5%

Pressure ulcers- 6.3%

Overall quality rating is 2 stars.

Mr. Vargas said that the staff is working very hard to improve the star rating in all areas and feels that they will have better numbers in the coming months.

Mr. Vargas got through his first full-book survey and did very well. He and his staff were very pleased with the outcomes especially since it was under the new survey guidelines. Good Job!!

CONTACT

Administrator: Mr. Jason Ohrt

The site visit was conducted on January 23, 2017. Mr. Ohrt has been with the facility for two years.

The facility was constructed in 1990 and is a very pretty and well taken care of building. The facility is licensed for 120 residents.

FACILITY

The current census target is 67. The current census is 64. The breakdown is as follows; Medicare-4; Medicaid-34; Private Pay-16; Private Insurance-1; Hospice-1; Pending Status-1; V.A.-7.

SURVEY

The facility will be in their survey window in February.

REPORTABLE INCIDENTS

There were two incidents. V.A. resident fell and had a fracture; Resident spilled hot coffee on hand. The state has been called but has not come in.

CLINICAL TRENDING**Infections:**

Infections were below thresholds.

Weight Loss:

There were 2 unexpected weight loss. 7.5%. The registered dietician is working with staff to monitor the residents and giving supplement drinks and shakes.

ADDITIONAL COMMENT:

The facility is working hard to control the quality measures.

Restraints-0

Pressure Ulcers-0

Falls with Major injuries-2

Anti-psychotics-13.6%

Mr. Ohrt knows they are above the acceptable averages in a couple of the areas but the staff is working hard to bring that down.

Everything else is doing well. Staffing ok but could use a couple of CNAs.

CONTACT:

Administrator: Ms. Wanda Lepard- Interim Administrator

The site visit was conducted on January 23, 2018. I visited with Ms. Lepard on this date. Ms. Schandra Polk will be the new administrator. Her first day will be January 24th. The facility looked very neat and clean. There were no odors throughout the facility. The outside grounds looked neat and clean. The staff was friendly and seemed to enjoy their work.

FACILITY:

The current census is 49. The breakdown is; Medicare-6; Medicaid-26; Private Pay-12; Private Insurance-; Hospice-5; Pending Status-. The facility currently has 24 residents that were moved in from Rock Port due to the hurricane. Ms. Lepard was not sure how much longer the Rock Port residents would be staying in Flatonia.

SURVEY:

The facility had their annual full book survey in October. They had thirteen minor tags. One tag in nursing that involved documentation. They had five minor tags in life-safety. The plan of correction has been sent to the state. The state has accepted the plan of correction. No visits from the state for the month of December.

REPORTABLE INCIDENTS:

The facility had two reportable incidents for the month of December. One was resident complained that she had been abused by a nurse. The facility could not substantiate the accusation. State has been called but not come in yet.

The second was concerning possible misappropriations of a resident's funds. State has been notified but has not come in. The facility could not substantiate the incident.

CLINICAL TRENDING:**A. Infections:**

The infection rate for November was within the thresholds set by infection control.

B. Weight Loss:

There were six weight loss issues. Five of the issues were expected from hospice residents. One was unexpected but has been corrected and the resident is eating better. The registered dietician got with the staff and set out a plan that is working better for the resident.

ADDITIONAL COMMENTS:

Staffing has been an issue because of the influx of residents from Rock Port. The facility is having to use a lot of agency staff.

The facility has a four star quality rating overall.

Restraints-0

Pressure ulcers- currently at 12.5%. Three ulcers were on admission and one was in-house.

Falls with major injuries- 10.5%. No new falls for the month of December.

Anti-psychotic medicines- six with diagnosis. 11.8%. This will go down when the residents from Rock Port go back to their home facility.

Exhibit “C”



Riceland
HEALTHCARE™

538 Broadway, Winnie, TX 77665 • 409-296-6000 • www.RicelandMed.com

Medical Center

December 18, 2017

RE: Heath Redwine, FNP-C

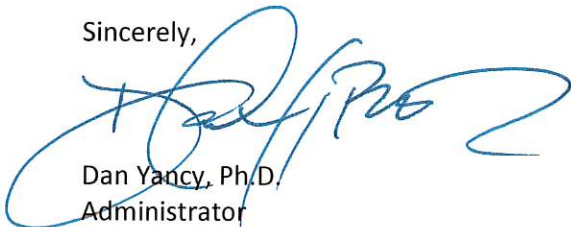
Dear Winnie-Stowell Hospital District:

Since October 2016, Heath Redwine, a nurse practitioner has been a full-time employee of Riceland Medical Center. Heath has been working in several of our clinics, but has now accepted a position working in our Emergency Room here at the hospital. Along with ER coverage, Heath will be working every Monday in the Winnie Clinic helping Dr. Boutte provide medical care to our community.

Heath has been providing medical care under the direct supervision of Dr. Andres and has worked very closely with Dr. Andres. Heath has been in the medical field for the past 12 years and brings sound clinical experience to Winnie. Heath lives in Hamshire with his wife and 5 children.

As the Hospital Administrator, I recommend that the Hospital District assess in helping Heath with his student loan repayment. Attached is Heath's personal letter along with his loan papers. Thank you for your continued support, and please feel free to contact me if you need further information.

Sincerely,

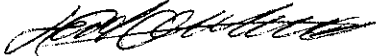


Dan Yancy, Ph.D.
Administrator

To Whom It May Concern:

My name is Heath Redwine, I am a nurse practitioner and have been with Riceland for over a year. I have recently started working in the emergency department in Winnie and I am helping in the clinic. I am writing this letter in efforts to receive assistance on my student loans I obtained while receiving my Masters in Nursing.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Heath Redwine", written in a cursive style.

Heath Redwine



U.S. Department of Education
Information about your federal student loan

November 22, 2017

#BWBBCFT
#B874 6429 2311 22L7#
HEATH O REDWINE
13764 POWERS RD
HAMSHIRE TX 77622-8451

**RECERTIFY FOR THE
REVISED PAY AS YOU
EARN REPAYMENT PLAN**

Account Number: 61 1316 9949

You currently repay your loans under the **Revised Pay As You Earn (REPAYE)** Repayment plan. Under this plan, your monthly payment amount is based on your income and family size. As part of the REPAYE plan, you are required to recertify annually. Since you are approaching the end of your 12-month payment period, you need to provide your and your spouse's (if applicable) income documentation and verify your family size, so we can recalculate your monthly payment. You must do this even if your income and family size has not changed.

Recertify electronically at StudentLoans.gov.

We must receive your application by 01/25/2018. If we do not receive your application within 10 days of this date, your monthly payment is estimated to be \$1,425.56, first due on 03/20/2018.

If you do not provide documentation by the deadline above, unpaid interest will be capitalized (added to the principal balance of your loan).

Why should you recertify?

- You still wish to have your payment amount based on your income and family size
- If you do not recertify, you will be placed on the Alternative Repayment plan.
 - Payments made while on the Alternative Repayment plan will not count as qualifying payments toward Public Service Loan Forgiveness (PSLF).
 - Your new repayment term will be the lesser of either 120 months or the number of months remaining in your REPAYE repayment term.

We will continue to remind you annually of your need to recertify your income and family size so that we can re-evaluate your payment amount. Visit MyFedLoan.org/REPAYE for more information.

Account Summary

[Need Help?](#)

We're here to assist you.



Alerts & Messages

- Welcome to Account Access!

Payment Summary

Last Payment: \$1,145.00 on 12/08/2017 [View Payment History](#)

Current Payment Due: \$0.00 [View Billing Details](#)

[Make a Payment](#)

[I can't afford this payment](#)

Account Profile

Address:

13764 POWERS RD
HAMSHIRE, TX 77622 -8451

Phone:

(409) 782-6179 *primary*
(409) 267-3137 *alternate*

Email:

Redwine2018@aol.com

[Update Information](#)

[Change Password](#)

Loan Summary

Date	Loan Type	Status	Balance
01/30/2017	Direct Sub Consolidation Loan	Repayment	\$7,515.49
01/30/2017	Direct Unsub Consolidation Ln	Repayment	\$115,259.13
05/22/2016	Direct Unsub Stafford Loan	Paid In Full	\$0.00
05/18/2015	Direct Unsub Stafford Loan	Paid In Full	\$0.00
05/18/2015	Direct Student Plus Loan	Paid In Full	\$0.00
05/21/2014	Direct Unsub Stafford Loan	Paid In Full	\$0.00
05/21/2014	Direct Student Plus Loan	Paid In Full	\$0.00
01/07/2014	Direct Unsub Stafford Loan	Paid In Full	\$0.00
08/13/2012	Direct Sub Stafford Loan	Paid In Full	\$0.00
08/13/2012	Direct Unsub Stafford Loan	Paid In Full	\$0.00
09/27/2010	Direct Sub Stafford Loan	Paid In Full	\$0.00
09/27/2010	Direct Unsub Stafford Loan	Paid In Full	\$0.00

[View Loan Details](#)

Total Loan Balance: \$122,774.62

Mortgage Applicants



Getting a Loan Verification Letter to give to your mortgage company is easy.

[Download Letter](#)

[Learn More](#)



Do you work in public service?

You may qualify for the Public Service Loan Forgiveness program.

[Learn More](#)

Exhibit “D-1”

Loan 10
SECONDED AMENDED
10 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
May 25, 2017 –March 25, 2018

BORROWER INFORMATION

Winnie-Stowell Hospital District
538 Broadway
Winnie, Texas 77665

NOTE. This Commercial Promissory Note dated May 25, 2017, will be referred to in this document as the “Note.”

LENDER. “Lender” means Salt Creek Capital, LLC whose address is P. O. Box, 930, 455 Elm Street, Suite 100, Graham, Young County, Texas 76450, its successors and assigns.

BORROWER. The Winnie Stowell Hospital District (“Borrower”) is a Political Subdivision of the State of Texas that was created pursuant to Article IX, Section 9 of the Texas Constitution and Chapter 286 of the Health and Safety Code.

REVENUE NOTE. Both Borrower and Lender agree that Article III, Section 52 of the Texas Constitution, prohibits the Legislature from authorizing any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. Both the Borrower and the Lender understand that neither the State of Texas, the Borrower, nor any political corporation, subdivision, or agency of the state, (i.e., Debtor) shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the state, the unit, or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on such debt, note, or bonds.

PROMISE TO PAY. For value received, receipt of which is hereby acknowledged, on May 25, 2017, (the Maturity Date), the Borrower promises to pay the principal amount of four million seventy seven-five thousand five hundred and eighty-eight dollars and 00/100 Dollars (\$4,775,588.00) and all interest on the outstanding principal balance and all other charges provided for in this Note, including service charges, to the order of Lender at its office at the address noted above or at such other place as Lender may designate in writing. The Borrower will make all payments in lawful money of the United States of America.

PAYMENT SCHEDULE. This Note will be paid according to the following schedule: Unpaid interest accrued in the amount of \$66,858.23 on the unpaid principal balance of this Note shall be due and payable in four (4) equal monthly payments on June 25, 2017, July 25, 2017, August 25, 2017, and September 25, 2017, and then the remaining principal and interest shall be paid in six (6) equal monthly payments of \$835,383.77 due on October 25, 2017, November 25, 2017, December 25, 2017, January 25, 2018, February 25, 2018, and March 25, 2018, with any and all remaining principal payment and accrued interest on the Note being due and payable on the Maturity Date, without notice or demand. (*See* Exhibit “A”). All payments received by the Lender for application on this Note may be applied to the Borrower’s obligations under this Note in such order and manner as Lender shall determine in its sole discretion.

INTEREST RATE AND SCHEDULED PAYMENT CHANGES. Interest on the principal of this Note from time to time outstanding will begin to accrue on the date of this Note and continue until all principal and accrued interest on this Note shall have been fully paid and satisfied. Before maturity, the interest rate on this Note will be fixed at 16.8% per annum, and all past due principal and interest shall bear interest at a rate per annum equal to the less of 18% per annum or the Highest Lawful Rate. It is the intention of Borrower and Lender to conform strictly to the usury laws in force in the State of Texas and in the United States of America, as applicable. If, for any reason whatsoever, the interest paid or received on this Note shall exceed the Highest Lawful Rate (defined below), the owner or holder of this Note shall credit on the principal hereof, or after all principal has been paid, refund to the payor, such portion of said interest as may be necessary to cause the interest paid on this Note to equal to the Highest Lawful Rate. “Highest Lawful Rate” means the maximum non-usurious rate of interest from time to time permitted by applicable federal or Texas law, whichever permits the higher lawful rate. All sums paid or agreed to be paid to the owner or holder hereof for the use, forbearance or detention of the indebtedness evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note. To the fullest extent permitted by law, all amounts charged, paid or received hereunder shall be

characterized as a fee or an expense and not as interest. In the event any amount is charged, paid or received hereunder which would result in a payment of interest in excess of the Highest Lawful Rate, such overcharged or overpaid amount may, at Lender's or any subsequent owner's or holder's discretion, be applied as a partial prepayment of principal or refunded to Borrower.

LATE PAYMENT CHARGE. If any required payment is more than 10 days late, then at Lender's option, Lender will assess a late payment charge of 5.000% of the amount of the required payment then past due.

SECURITY. This Note is secured by a security agreement dated May 25th, 2017, between the Borrower, as debtor, and the Lender, as secured party, covering deposit accounts.

RIGHT OF SET-OFF. To the extent permitted by law, Borrower agrees that Lender has the right to set-off any amount due and payable under this Note, whether matured or unmatured, against any amount owing by Lender to Borrower. Such right of set-off may be exercised by Lender against Borrower or against any assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of Borrower, or against else claiming through or against Borrower or such assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off has not been exercised by Lender prior to the making, filing or issuance or service upon Lender of, or of notice of, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena or order or warrant. Borrower agrees to hold Lender harmless from any claim arising as a result of Lender exercising Lender's right to set-off.

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, mortgages, deeds of trust, deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments and any other documents or agreements executed in connection with this Note whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of any of the foregoing. The Related Documents are hereby made a part of this Note by reference thereto, with the same force and effect as if fully set forth herein.

DEFAULT. Upon the occurrence of any one of the following events (Each, an "Event or Default" or "default" or "event of default"), Lender's obligations, if any, to make any advances will, at Lender's option, immediately terminate and Lender, at its option, may declare all indebtedness of Borrower to Lender under this Note immediately due and payable without further notice of any kind notwithstanding anything to the contrary in this Note or any other agreement: (a) Borrower's failure to make any payment on time in the amount due; (b) any default by Borrower under the terms of this Note or any other Related Documents executed in connection with this Note; (c) any default by Borrower under the terms of any Related Documents in favor of Lender; (d) the dissolution or termination of existence of Borrower or any guarantor; (e) Borrower is not paying Borrower's debts as such debts become due; (f) the commencement of any proceeding under bankruptcy or insolvency laws by or against Borrower or any guarantor or the appointment of a receiver; (g) any default under the terms of any other indebtedness of Borrower to any other creditor; (h) any writ of attachment, garnishment, execution, tax lien or similar instrument is issued against any collateral securing the loan, if any, or any of Borrower's property or any judgment is entered against Borrower or any guarantor; (i) any part of Borrower's business is sold to or merged with any other business, individual, or entity; (j) any representation or warranty made by Borrower to Lender in any of the Related Documents or any financial statement delivered to Lender proves to have been false in any material respect as of the time when made or given; (k) if any guarantor, or any other party to any Related Documents in favor of Lender entered into or delivered in connection with this Note terminates, attempts to terminate or defaults under any such Related Documents in favor of Lender entered into or delivered in connection with this Note terminates, attempts to terminate or defaults under any such Related Documents; (l) Lender has deemed itself insecure or there has been a material adverse change of condition of the financial prospects of Borrower or any collateral securing the obligations owing to Lender by Borrower. Upon the occurrence of an event of default, Lender may pursue any remedy available under any Related Document, at law or in equity.

GENERAL WAIVERS. To the extent permitted by law, the Borrower severally waives any required notice of presentment, demand, acceleration, intent to accelerate, protest and any other notice and defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral. No failure or delay on the part of Lender, and no course of dealing between Borrower and Lender, shall operate as a waiver of such power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right.

JOINT AND SEVERAL LIABILITY. If permitted by law, each Borrower executing this Note is jointly and severally bound.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Note is invalid or prohibited by law, that term or provision will be ineffective to the extent required. Any term or provision that has

been determined to be invalid or prohibited will be severed from the rest of this Note without invalidating the remainder of either the affected provision or this Note.

SURVIVAL. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this Note shall be binding on all heirs, executors, administrators, assigns and successors of Borrower.

ASSIGNABILITY. Lender may assign, pledge or otherwise transfer this Note or any of its rights and powers under this Note without notice, with all or any of the obligations owing to Lender by Borrower, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Borrower may not assign this Note or any benefit accruing to it hereunder or delegate any of its obligations hereunder without the express written consent of the Lender.

GOVERNING LAW. This Note is governed by the laws of the state of Texas except to the extent that federal law controls. Venue shall be deemed to be proper in Young, County, Texas, being the place of payment on this note and the place at which the contract had its inception and is to be performed.

HEADING AND GENDER. The headings preceding text in this Note are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Note shall be construed to be of such gender or number as the circumstances require.

ATTORNEYS' FEES AND OTHER COSTS. If legal proceedings are instituted to enforce the terms of this Note, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorney's fees, to the extent permitted by law.

ADDITIONAL PROVISIONS. Federal Small Business Certification. Borrower represents, warrants and certifies, that none of the principals of Borrower or Borrower's affiliates have been convicted of, or pleaded nolo contendere to, any offense covered by 42 U.S.C. sec.16911(7). For purposes of this subsection, the term "principal" means: (a) with respect to a sole proprietorship, the proprietor; (b) with respect to a partnership, each managing partner and each partner who is a natural person and holds twenty percent (20.00%) or more ownership interest in the partnership; and (c) with respect to a corporation, limited liability company, association or development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is direct or indirect holder of twenty percent (20.00%) or more of the ownership stock or stock equivalent of the entity.

The loan proceeds are to fund operation of its nursing homes, including Borrower's inter-governmental transfers for Borrower's participation in the Quality Incentive Payment Program for Nursing Facilities provided for and described in Tex. Admin. Code §353.1301 and §353.1303, Borrower and signers, with proper board of director approval and consent, certify the loan proceeds will be used for this sole purpose, and to the best of their knowledge, they are authorized to borrow this loan for this purpose. Borrower agrees to cause all "QIPP capitation rate components" funds ("QIPP Funds") as defined in Tex. Admin. Code §353.1303(g) to be direct deposited by the Managed Care Organizations described in Tex. Admin. Code §353.1303(b)(6) into the Borrower's Government Receivables Account at Interbank in Graham, Texas. The account number for the Government Receivables Account is 1755271008. Said account shall be subject to a Deposit Account Instruction and Service Agreement ("DAISA") entered between Lender, Interbank, and Borrower that requires all QIPP Funds on deposit to be swept daily into the Borrower's Funding and Disbursement Account, account number 1755470228. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement ("DACA") between Lender, Interbank, and Borrower. Except as required in this Agreement, the Borrower agrees to not withdraw any funds defined as "Component 1" funds pursuant to Tex. Admin. Code §353.1303(g)(1) from the Funding and Disbursement Account before maturity of the Note and such funds will be used to make timely payments on this Note

This Note and the Related Documents constitute the complete and final expression of the parties' loan agreement and may not be amended or modified by oral agreement.

No present or future agreement securing any other debt owed to Salt Creek Capital, LLC will secure the payment of this Loan if, with respect to this loan, Borrower fails to fulfill any necessary requirements or limitations of Sections 19(a), 32 or 35 of Regulation Z or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007. This Note is governed by the laws of Texas and the United States of America, and to the extent required, by the laws of the jurisdiction where the property securing this Note is located, except to the extent such state laws are preempted by federal law. Borrower agrees to supply Salt Creek Capital, LLC with whatever information it reasonably requests. Salt Creek Capital, LLC will make requests for this information without undue frequency, and will give Borrower reasonable time in which to supply the

information. Unless otherwise required by law, any notice will be given by delivering it or mailing it by email or first class mail. Notice to one Borrower will be deemed to be notice to all Borrowers. Borrower will inform Salt Creek Capital, LLC in writing of any change in my name, address or other application information and agrees to provide Salt Creek Capital, LLC any correct and complete financial statements or other information it requests. Borrower agrees to sign, deliver, and file any additional documents or certifications that Salt Creek Capital, LLC may consider necessary to perfect, continue, and preserve any obligations under the Loan and to confirm Salt Creek Capital, LLC lien status on any Property. Time is of the essence.

By signing this Note, Borrower acknowledges reading, understanding, and agreeing to all its provisions and receipt of a true and complete copy of this Note.

Borrower: Winnie-Stowell Hospital District

By: _____

Name: _____

Title: _____

Exhibit "A"

Payment Schedule

Line of Credit Calculator



<http://www.vertex42.com/Calculators/line-of-credit.html>

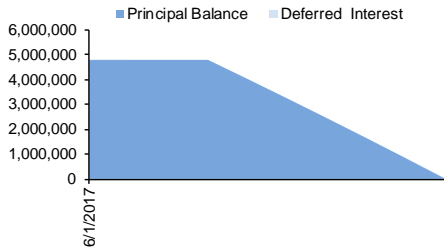
© 2010-2017 Vertex42 LLC

Borrower: Winnie Stowell Hospital District
 P.O. Box 1997
 Winnie Texas 77706
 Phone: (409)296-1003

Lender: Salt Creek Capital, LLC
 P.O. Box 930, 455 Elm Street, Suite 100,
 Graham, Texas 76540
 Phone:

Inputs	
Credit Limit	4,775,588
Starting Interest Rate	16.80%
Draw Period in Years	0.83
First Day Interest Accrues	5/25/2017
Payment Frequency	Monthly
Days in Year	360

Balance at End of Draw Period	
Total Borrowed	4,775,588.00
Total Payments	5,012,302.62
Total Interest Accrued	504,147.54
Ending Principal Balance	823,849.85
Deferred Interest Balance	-
Total Balloon Payment Owed	823,849.85



Use Random Rates?	No
Min Change	-0.35%
Max Change	0.45%
Minimum Interest Rate	2.00%

Payment Schedule

No.	Payment Date	Interest Rate	Interest Accrued	Payment	Amount Borrowed	Principal	Principal Balance	Deferred Interest	Total Owed
	5/25/2017	16.80%			4,775,588.00		\$4,775,588.00		
1	6/25/17	16.80%	66,858.23	0.00			4,775,588.00	0.00	4,775,588.00
2	7/25/17	16.80%	66,858.23	0.00			4,775,588.00	0.00	4,775,588.00
3	8/25/17	16.80%	66,858.23	0.00			4,775,588.00	0.00	4,775,588.00
4	9/25/17	16.80%	66,858.23	0.00			4,775,588.00	0.00	4,775,588.00
5	10/25/17	16.80%	66,858.23	835,383.77		768,525.54	4,007,062.46	0.00	4,007,062.46
6	11/25/17	16.80%	56,098.87	835,383.77		779,284.90	3,227,777.56	0.00	3,227,777.56
7	12/25/17	16.80%	45,188.89	835,383.77		790,194.88	2,437,582.68	0.00	2,437,582.68
8	1/25/18	16.80%	34,126.16	835,383.77		801,257.61	1,636,325.07	0.00	1,636,325.07
9	2/25/18	16.80%	22,908.55	835,383.77		812,475.22	823,849.85	0.00	823,849.85
10	3/25/18	16.80%	11,533.92	835,383.77		823,849.55	0.00	0.00	0.00

LOAN 10
AMENDED LOAN AND SECURITY AGREEMENT FOR
10 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE

May 25, 2017 – March 25, 2018

Effective as of May 25, 2017, WINNIE-STOWELL HOSPITAL DISTRICT, a political subdivision of the State of Texas (“Debtor”), whose address is P.O. Box 1997, Winnie, Texas 77665, and SALT CREEK CAPITAL, LLC (“Secured Party”), a Texas limited liability company whose address is P.O. Box 930, 455 Elm Street, Suite 100, Graham, Texas 76540, agree as follows:

ARTICLE 1
LOAN AGREEMENT

Debtor is a Political Subdivision of the State of Texas that was created pursuant to Article IX, Section 9 of the Texas Constitution and Chapter 286 of the Health and Safety Code. Pursuant to Article III, Section 52 of the Texas Constitution, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. Both the Debtor and the Lender understand that neither the State of Texas, the unit, nor any political corporation, subdivision, or agency of the state (i.e., the Debtor) shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the state, the unit, or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on such debt, note, or bonds.

Debtor and Secured Party have agreed that Secured Party will from time to time, in its discretion and on an uncommitted basis, fund a loan or loans to Debtor to fund Debtor’s operation of its nursing homes, including Debtor’s inter-governmental transfers for Debtor’s participation in the Quality Incentive Payment Program for Nursing Facilities provided for and described in Tex. Admin. Code §353.1301 and §353.1303, as amended, each such loan to be evidenced by a promissory note (the “Note”), whether one or more) executed or to be executed by Debtor and made payable to the order of Secured Party. Debtor agrees to cause all “QIPP capitation rate components” funds (“QIPP Funds”) as defined in Tex. Admin. Code §353.1303(g) to be direct deposited by the Managed Care Organizations described in Tex. Admin. Code §353.1303(b)(6) into the Debtor’s Government Receivables Account at Interbank in Graham, Texas. The account number for the Government Receivables Account is 1755271008. Said account shall be subject to a Deposit Account Instruction and Service Agreement (“DAISA”) entered between Secured Party, Interbank, and Debtor that requires all QIPP Funds on deposit to be swept daily into the Debtor’s Funding and Disbursement Account, account number 1755470228. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement (“DACA”) between Secured Party, Interbank, and Debtor. Except as required in this Agreement, the Debtor agrees to not withdraw any funds defined as “Component 1” funds pursuant to Tex. Admin. Code §353.1303(g)(1) from the Funding and Disbursement Account before maturity of the Note, and such funds will be used to make timely payments on the note secured hereby.

ARTICLE 2

CREATION OF SECURITY INTEREST

In order to secure the prompt and unconditional payment of the Debt (defined in Section 3.2) and the other obligations of Debtor hereinafter described or referred to, and the performance of the obligations, covenants, agreements and undertakings herein described, and to the extent allowed by the United States Code; Code of Federal Regulations; any rules and regulations promulgated by an agent of the United State of America, including but not limited to, the Center for Medicare and Medicaid Services (“CMS”); Article III, Section 52 of the Texas Constitution; or statutes of the State of Texas, Debtor hereby grants to Secured Party a security interest in and mortgages, assigns, transfers, delivers, pledges, sets over and confirms to Secured Party all of Debtor’s non-Federal, non-Medicaid, or non-Medicare revenues, powers, privileges, rights, titles and interests (including all power of Debtor, if any, to pass greater title than it has itself) of every kind and character now owned or hereafter acquired, created or arising in and to the following:

- (i) Account maintained by the Debtor with InterBank, Graham, Texas, Account Number: 1755470228, for the purpose of serving as the Debtor’s Funding and Disbursement Account.
- (ii) To the extent allowed by the laws of the United States and the State of Texas, all other bank deposit accounts now owned or hereafter established or acquired by Debtor with InterBank, Graham, Texas or any other state bank or national banking association; and
- (iii) all interest on the foregoing; all modifications, extensions and increases of the foregoing; all sums now or at any time hereafter on deposit in the foregoing or represented by the foregoing; all shares, deposits, investments and interest of every kind of Debtor at any time evidenced by any deposit account receipt or certificate relating to the foregoing or issued in connection with the foregoing, and all other related property;

together with all accessions, appurtenances and additions to and substitutions for any of the foregoing and all products and proceeds of any of the foregoing, together with all renewals and replacements of any of the foregoing, all accounts, receivables, accounts receivable, instruments, notes, chattel paper, documents, books, records, contract rights and general intangibles arising in connection with any of the foregoing. All of the property and interests described in this Article are herein collectively called the “Collateral.” The inclusion of proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized by Secured Party in writing. It is expressly contemplated that additional Collateral may from time to time be pledged to Secured Party as additional security for the Debt (hereinafter defined), and the term “Collateral” as used herein shall be deemed for all purposes hereof to include all such Collateral, together with all other property of the types described above related to the Collateral.

Each capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

ARTICLE 3 SECURED INDEBTEDNESS

3.1. This Security Agreement (this “Agreement”) is made to secure Note, (10 Month Day) Short Term Commercial Note signed on May 25, 2017 by the Debtor with a term ending March 25, 2018, and all of the following present and future debt and obligations including:

- (a) any and all obligations of Debtor, whether absolute or contingent and howsoever and whensoever arising under the Note or any of them;

- (b) any and all obligations of Debtor evidenced by the Note and the any Related Documents (as defined in the Note, to which reference is here made for all purposes);
- (c) all other obligations incurred by Debtor to Secured Party, if any, described or referred to in any other place in this Agreement; and
- (d) any and all sums and the interest which accrues on them as provided in this Agreement which Secured Party may advance or which Debtor may owe Secured Party pursuant to this Agreement on account of Debtor's failure to keep, observe or perform any of Debtor's covenants under this Agreement.

3.2. The term "Debt" means and includes all debt and obligations of Debtor to Secured Party described or referred to in Section 3.1. The Debt includes interest and other obligations accruing or arising on the Debt after (a) commencement of any case under any bankruptcy or similar laws by or against any party comprising Debtor or any other person or entity now or hereafter primarily or secondarily obligated to pay all or any part of the Debt (with such parties comprising Debtor and any such other persons and entities being sometimes hereinafter collectively referred to as "Obligors") or (b) the obligations of any Obligor shall cease to exist by operation of law or for any other reason. The Debt also includes all reasonable attorneys' fees and any other expenses incurred by Secured Party in enforcing this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants as follows:

- (a) Debtor is the legal and equitable owner and holder of good and marketable title to the Collateral free of any adverse claim and free of any security interest or encumbrance except only for the security interest granted hereby in the Collateral. Debtor agrees to defend the Collateral and its proceeds against all claims and demands of any person at any time claiming the Collateral, its proceeds or any interest in either. Debtor has not heretofore granted control of the Collateral to any Person other than Secured Party or signed or authorized the filing of any financing statement directly or indirectly affecting the Collateral or any part of it which has not been completely terminated of record, and no such financing statement signed or authorized by Debtor is now on file in any public office.
- (b) Debtor's execution, delivery and performance of this Agreement has been duly authorized by all necessary action under Debtor's organizational documents and otherwise. Debtor's execution, delivery and performance of this Agreement do not and will not require (i) any consent of any other person or entity or (ii) any consent, license, permit, authorization or other approval (including foreign exchange approvals) of any court, arbitrator, administrative agency or other governmental authority, or any notice to, exemption by, any registration, declaration or filing with or the taking of any other action in respect of, any such court, arbitrator, administrative agency or other governmental authority.
- (c) Neither execution or delivery of this Agreement, nor the fulfillment of or compliance with the terms and provisions hereof will (i) violate any constitutional provision, law or rule, or any regulation, order or decree of any governmental authority or the basic organizational documents of Debtor or (ii) conflict with or result in a breach of the terms, conditions or provisions of, or cause a default under, any agreement, instrument, franchise, license or concession to which Debtor is a party or bound.

- (d) Debtor has duly and validly executed, issued and delivered this Agreement. This Agreement is in proper legal form for prompt enforcement and is Debtor's valid and legally binding obligation, enforceable in accordance with its respective terms. Debtor does not have any indebtedness other than indebtedness owing to Secured Party and indebtedness specifically disclosed in writing to Secured Party prior to the date hereof.
- (e) Debtor is now solvent, and no bankruptcy or insolvency proceedings are pending or contemplated by or to Debtor's knowledge against Debtor. Debtor's liabilities and obligations under this Agreement do not and will not render Debtor insolvent, because Debtor's liabilities to exceed Debtor's assets or leave Debtor with too little capital to properly conduct all of its business as now conducted or contemplated to be conducted.
- (f) All of Debtor's books and records with regard to the Collateral are maintained and kept at the address of Debtor set forth in this Agreement.
- (g) The liens and security interests of this Agreement will constitute valid and perfected first and prior liens and security interests on the Collateral, subject to no other liens, security interests or charges whatsoever.
- (h) The Collateral is genuine, free from any restriction on transfer, duly and validly authorized and issued, constituting the valid and legally binding obligation of the issuer or issuers thereof, enforceable in accordance with its terms, and fully paid, and is hereby duly and validly pledged and hypothecated to Secured Party in accordance with law.
- (i) There is no action, suit or proceeding pending or, to the best of Debtor's knowledge, threatened against or affecting Debtor or the Collateral, at law or in equity, or before or by any governmental authority, which might result in any material adverse change in Debtor's business or financial condition or in the Collateral or in Debtor's other property or Debtor's interest in it.
- (j) Debtor is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental authority, in the payment of any debt for borrowed money or under any agreement or other papers evidencing or securing any such debt.
- (k) Debtor is not a party to any contract or agreement which materially and adversely affects its business, property, assets or financial condition.

ARTICLE 5 COVENANTS

- 5.1. Debtor covenants and agrees with Secured Party as follows:
 - (a) Debtor shall furnish to Secured Party such instruments as may be reasonably required by Secured Party to assure Secured Party's control of the Collateral and the transferability of the Collateral when and as often as may be requested by Secured Party.
 - (b) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered or questioned or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal

proceedings, and Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby, and all expenses so incurred of every kind and character shall constitute sums advanced pursuant to Section 5.2.

- (c) Debtor will, on request of Secured Party, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof, (ii) execute, acknowledge, deliver and record or file such further instruments (including further security agreements, financing statements and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically any renewals, additions, substitutions, replacements or appurtenances to the then Collateral, and (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and Debtor will pay all costs connected with any of the foregoing.
- (d) To the extent not prohibited by applicable law, Debtor will pay all out-of-pocket costs and expenses and reimburse Secured Party for any and all expenditures of every character incurred or expended from time to time in connection with enforcing and realizing upon Secured Party's security interests in and liens on any of the Collateral, and all costs and expenses relating to Secured Party's exercising any of its rights and remedies under this Agreement or at law; provided, that no right or option granted by Debtor to Secured Party or otherwise arising pursuant to any provision of this or any other instrument shall be deemed to impose or admit a duty on Secured Party to supervise, monitor or control any aspect of the character or condition of any of the Collateral or any operations conducted in connection with it for the benefit of Debtor or any other person or entity other than Secured Party. Any amount to be paid under this Section by Debtor to Secured Party shall be a demand obligation owing by Debtor to Secured Party and shall bear interest from the date of expenditure until paid at the highest lawful rate permitted by applicable law (the "Past Due Rate").
- (e) Debtor will not sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of, or pledge, hypothecate or grant any security interest in, or permit to exist any lien, security interest, charge or encumbrance against, all or any part of the Collateral or any interest therein or permit any of the foregoing to occur or arise or permit title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise, without the prior written consent of Secured Party.
- (f) Debtor agrees that as part of this Security Agreement, Debtor will comply with the terms of its Second Amended Transfer Procedures adopted by the Debtor's Board on January 20, 2016, including, but not limited, obtaining written consent of the Secured Party before changing the Procedures.

5.2. If Debtor should fail to comply with any of its agreements, covenants or obligations under this Agreement and such failure continues beyond any applicable notice or cure period afforded herein, then Secured Party (in Debtor's name or in Secured Party's own name) may perform them or cause them to be performed for Debtor's account and at Debtor's expense, but shall have no obligation to perform any of

them or cause them to be performed. Any and all expenses thus incurred or paid by Secured Party shall be Debtor's obligations to Secured Party due and payable on demand, and each shall bear interest from the date Secured Party pays it until the date Debtor repays it to Secured Party, at the Past Due Rate. Upon making any such payment or incurring any such expense, Secured Party shall be fully and automatically subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts owing by Debtor to Secured Party pursuant to this or any other provision of this Agreement shall automatically and without notice be and become a part of the Debt and shall be secured by this and all other instruments securing the Debt.

ARTICLE 6 EVENTS OF DEFAULT

The occurrence of an Event of Default under any Note shall constitute an Event of Default (herein so called) under this Agreement.

ARTICLE 7 REMEDIES IN EVENT OF DEFAULT

- 7.1. At any time after the occurrence of an Event of Default:
- (a) Secured Party shall have the option of declaring, without notice to any person, all Debt to be immediately due and payable and take possession of such Debt and all accrued and unpaid interest from any accounts on which secured party has perfected a lien;
 - (b) Secured Party shall have all the rights of a secured party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies:
 - (i) it shall not be necessary that the Collateral or any part thereof be present at the location of any sale pursuant to the provisions of this Article; and
 - (ii) before application of proceeds of disposition of the Collateral to the Debt, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Secured Party, each Obligor, to the extent applicable, to remain liable for any deficiency; and
 - (iii) the sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the Debt, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and
 - (iv) in the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and

- (v) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of any indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the Collateral to be sold having been duly given, as to any other act or thing having been duly done by Secured Party, shall be taken as *prima facie* evidence of the truth of the facts so stated and recited; and
- (vi) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party; and
- (vii) demand of performance, advertisement and presence of property at sale are hereby WAIVED by Debtor and Secured Party is hereby authorized to sell hereunder any evidence of debt it may hold as security for the Debt. All demands and presentments of any kind or nature are expressly WAIVED by Debtor. Debtor WAIVES the right to require Secured Party to pursue any other remedy for the benefit of Debtor and agrees that Secured Party may proceed against any Obligor for the amount of the Debt owed to Secured Party without taking any action against Debtor any other Obligor without selling or otherwise proceeding against or applying any of the Collateral in Secured Party's possession.

7.2. All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Debt, or any part thereof, or otherwise benefiting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

7.3. Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the Debt, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and absolute discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

7.4. To the full extent Debtor may do so, Debtor agrees that Debtor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Debtor, for Debtor, Debtor's heirs, devisees, executors, administrators, personal representatives, successors, receivers, trustees and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby WAIVES and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or to declare due the whole of the Debt, notice of election to mature or to declare due the whole of the Debt and all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

ARTICLE 8 ADDITIONAL AGREEMENTS

8.1. Subject to the automatic reinstatement provisions set forth below, upon full payment and performance of the Debt and final termination of all obligations, if any, of Secured Party to fund loans or provide other financial accommodations to or for Debtor, all rights under this Agreement shall terminate and the Collateral shall thereafter become wholly clear of the security interest evidenced hereby, and upon

written request by Debtor such security interest shall be released by Secured Party in due form, at Debtor's cost.

8.2. Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice or demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

8.3. Secured Party shall not be required to take any steps necessary to preserve any rights against prior parties to any of the Collateral.

8.4. The security interest and other rights of Secured Party hereunder shall not be impaired by any indulgence, moratorium or release granted by Secured Party, including but not limited to (a) any renewal, extension or modification which Secured Party may grant with respect to the Debt, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein, or (c) any release or indulgence granted to any endorser, guarantor or surety of the Debt.

8.5. Debtor hereby authorizes Secured Party to cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Secured Party shall reasonably elect and will pay all such recording, filing, re-recording, and refiling taxes, fees and other charges. Debtor also hereby authorizes Secured Party to take such other measures as Secured Party may deem necessary or appropriate to perfect any security interests created hereunder in and to the Collateral.

8.6. In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the Debt in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or upon the Debt. No sale of the Collateral, and no forbearance on the part of Secured Party and no extension of the time for the payment of the Debt given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor hereunder for the payment of the Debt or the liability of any other person hereunder for the payment of the Debt, except as agreed to in writing by Secured Party.

8.7. Any other or additional security taken for the payment of any of the Debt shall not in any manner affect the security given by this Agreement.

8.8. If any part of the Debt cannot be lawfully secured by this Agreement, or if the lien, assignments and security interests of this Agreement cannot be lawfully enforced to pay any part of the Debt, then and

in either such event, at the option of Secured Party, all payments on the Debt shall be deemed to have been first applied against that part of the Debt.

8.9. This Agreement shall not be changed orally but shall be changed only by agreement in writing signed by Debtor and Secured Party. No course of dealing between the parties, no usage of trade and no parole or extrinsic evidence of any nature shall be used to supplement or modify any of the terms or provisions of this Agreement.

8.10. Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering it against receipt for it, by depositing it with an overnight delivery service or by depositing it in a receptacle maintained by the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, addressed to the respective parties at the addresses shown herein (and if so given, shall be deemed given when mailed). Debtor's address for notice may be changed at any time and from time to time, but only after thirty (30) days' advance written notice to Secured Party and shall be the most recent such address furnished in writing by Debtor to Secured Party. Secured Party's address for notice may be changed at any time and from time to time, but only after ten (10) days' advance written notice to Debtor and shall be the most recent such address furnished in writing by Secured Party to Debtor. Actual notice, however and from whomever given or received, shall always be effective when received.

8.11. This Agreement shall be binding upon Debtor, and the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall benefit Secured Party and its successors and assigns.

8.12. Secured Party is hereby authorized at any time and from time to time after the occurrence of an Event of Default, without notice to any person or entity (and Debtor hereby WAIVES any such notice) to the fullest extent permitted by law, to set-off and apply any and all monies, securities and other properties of Debtor now or in the future in the possession, custody or control of Secured Party, or on deposit with or otherwise owed to Debtor by Secured Party including without limitation the Collateral and all other monies, securities and other properties held in general, special, time, demand, provisional or final accounts or for safekeeping or as collateral or otherwise (but excluding those accounts clearly designated as escrow or trust accounts held by Debtor for others unaffiliated with Debtor) against any and all of Debtor's obligations to Secured Party now or hereafter existing, irrespective of whether Secured Party shall have made any demand therefor.

8.13. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and this Agreement shall be liberally construed so as to carry out the intent of the parties to it. Each waiver in this Agreement is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Secured Party for having bargained for and obtained it.

8.14. The pronouns used in this Agreement are in the masculine and neuter genders but shall be construed as feminine, masculine or neuter as occasion may require. "Secured Party", "Obligor" and "Debtor" as used in this Agreement include the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of those parties.

8.15. The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined. Wherever the term “including” or a similar term is used in this Agreement, it shall be read as if it were written “including by way of example only and without in any way limiting the generality of the clause or concept referred to.”

8.16. This Agreement is performable in Young County, Texas, which shall be a proper place of venue for suit on or in respect of this Agreement. Debtor irrevocably agrees that any legal proceeding in respect of this Agreement shall be brought in the district courts of Young County, Texas or the United States District Court for the Northern District of Texas. Nothing herein shall affect the right of Secured Party to commence legal proceedings or otherwise proceed against Debtor in any jurisdiction or to serve process in any manner permitted by applicable law. Debtor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.**

8.17. Debtor agrees that, if at any time all or any part of any payment previously applied by Secured Party to the Debt is or must be returned by Secured Party or recovered from Secured Party for any reason (including the order of any bankruptcy court), this Agreement shall automatically be reinstated to the same effect, as if the prior application had not been made, and, in addition, Debtor hereby agrees to indemnify Secured Party against, and to save and hold Secured Party harmless from any required return by Secured Party or recovery from Secured Party of any such payments because of its being deemed preferential under applicable bankruptcy, receivership or insolvency laws, or for any other reason.

8.18. This Agreement embodies the entire agreement and understanding between Secured Party and Debtor with respect to their subject matter and supersedes all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Debtor acknowledges and agrees there is no oral agreement between Debtor and Secured Party which has not been incorporated in this Agreement.

8.19. Provided no default or Event of Default is continuing, cash on deposit comprising the Collateral may be requested by Debtor to pay for customary operating expenses of the Project incurred by Debtor after the date the Evidence of Completion has been delivered to Lender. Such requests shall be accompanied by bills or invoices setting forth in reasonable detail the basis for the expense, the name of the payee, and all relevant payment information.

NOTICE PURSUANT TO TEX. BUS. & COMM. CODE 26.02

THIS AGREEMENT, THE LOAN AGREEMENT AND ANY OTHER RELATED CREDIT DOCUMENTS TOGETHER CONSTITUTE A WRITTEN AGREEMENT AND REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DEBTOR:

WINNIE-STOWELL HOSPITAL DISTRICT

By: _____

Name: Edward Murrell

Title: President, Winnie Stowell Hospital District

SECURED PARTY:

SALT CREEK CAPITAL, LLC

By: _____

Name: Alfred G. Allen, III

Title: President

Exhibit “D-2”

Loan 12
10 Month-Short Term REVENUE NOTE
November 1, 2017 – September 1, 2018

BORROWER INFORMATION

Winnie-Stowell Hospital District
538 Broadway
Winnie, Texas 77665

NOTE. This Commercial Promissory Note dated November 3, 2017, will be referred to in this document as the “Note.”

LENDER. “Lender” means Salt Creek Capital, LLC whose address is P. O. Box, 930, 455 Elm Street, Suite 100, Graham, Young County, Texas 76450, its successors and assigns.

BORROWER. The Winnie Stowell Hospital District (“Borrower”) is a Political Subdivision of the State of Texas that was created pursuant to Article IX, Section 9 of the Texas Constitution and Chapter 286 of the Health and Safety Code.

REVENUE NOTE. Both Borrower and Lender agree that Article III, Section 52 of the Texas Constitution, prohibits the Legislature from authorizing any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. Both the Borrower and the Lender understand that neither the State of Texas, the Borrower, nor any political corporation, subdivision, or agency of the state, (i.e., Debtor) shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the state, the unit, or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on such debt, note, or bonds.

PROMISE TO PAY. For value received, receipt of which is hereby acknowledged, on September 1, 2018, (the Maturity Date), the Borrower promises to pay the principal amount of two million seven hundred sixty-five thousand three hundred and eight-nine dollars and 00/100 Dollars (\$2,765,389.00) and all interest on the outstanding principal balance and all other charges provided for in this Note, including service charges, to the order of Lender at its office at the address noted above or at such other place as Lender may designate in writing. The Borrower will make all payments in lawful money of the United States of America.

PAYMENT SCHEDULE. This Note will be paid according to the following schedule: Unpaid interest accrued in the amount of \$38,715.45 on the unpaid principal balance of this Note shall be due and payable in four (4) equal monthly payments on December 1, 2017, January 2, 2018, February 1, 2018, and March 1, 2018, and then the remaining principal and interest shall be paid in six (6) equal monthly payments of \$483,743.80 due on due on April 1, 2018, May 1, 2018, June 1, 2018, July 1, 2018, August 1, 2018, and September 1, 2018, with any and all remaining principal payment and accrued interest on the Note being due and payable on the Maturity Date, without notice or demand. (See Exhibit “A”). All payments received by the Lender for application on this Note may be applied to the Borrower’s obligations under this Note in such order and manner as Lender shall determine in its sole discretion.

INTEREST RATE AND SCHEDULED PAYMENT CHANGES. Interest on the principal of this Note from time to time outstanding will begin to accrue on the date of this Note and continue until all principal and accrued interest on this Note shall have been fully paid and satisfied. Before maturity, the interest rate on this Note will be fixed at 16.8% per annum, and all past due principal and interest shall bear interest at a rate per annum equal to the less of 18% per annum or the Highest Lawful Rate. It is the intention of Borrower and Lender to conform strictly to the usury laws in force in the State of Texas and in the United States of America, as applicable. If, for any reason whatsoever, the interest paid or received on this Note shall exceed the Highest Lawful Rate (defined below), the owner or holder of this Note shall credit on the principal hereof, or after all principal has been paid, refund to the payor, such portion of said interest as may be necessary to cause the interest paid on this Note to equal to the Highest Lawful Rate. “Highest Lawful Rate” means the maximum non-usurious rate of interest from time to time permitted by applicable federal or Texas law, whichever permits the higher lawful rate. All sums paid or agreed to be paid to the owner or holder hereof for the use, forbearance or detention of the indebtedness evidenced hereby shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note. To the fullest extent permitted by law, all amounts charged, paid or received hereunder shall be characterized as a fee or an expense and not as interest. In the event any amount is charged, paid or received hereunder which would result in a payment

of interest in excess of the Highest Lawful Rate, such overcharged or overpaid amount may, at Lender's or any subsequent owner's or holder's discretion, be applied as a partial prepayment of principal or refunded to Borrower.

LATE PAYMENT CHARGE. If any required payment is more than 10 days late, then at Lender's option, Lender will assess a late payment charge of 5.000% of the amount of the required payment then past due.

SECURITY. This Note is secured by a security agreement dated November 1, 2017, between the Borrower, as debtor, and the Lender, as secured party, covering deposit accounts.

RIGHT OF SET-OFF. To the extent permitted by law, Borrower agrees that Lender has the right to set-off any amount due and payable under this Note, whether matured or unmatured, against any amount owing by Lender to Borrower. Such right of set-off may be exercised by Lender against Borrower or against any assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor of Borrower, or against else claiming through or against Borrower or such assignee for the benefit of creditors, receiver, or execution, judgment or attachment creditor, notwithstanding the fact that such right of set-off has not been exercised by Lender prior to the making, filing or issuance or service upon Lender of, or of notice of, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena or order or warrant. Borrower agrees to hold Lender harmless from any claim arising as a result of Lender exercising Lender's right to set-off.

RELATED DOCUMENTS. The words "Related Documents" mean all promissory notes, security agreements, mortgages, deeds of trust, deeds to secure debt, business loan agreements, construction loan agreements, resolutions, guaranties, environmental agreements, subordination agreements, assignments and any other documents or agreements executed in connection with this Note whether now or hereafter existing, including any modifications, extensions, substitutions or renewals of any of the foregoing. The Related Documents are hereby made a part of this Note by reference thereto, with the same force and effect as if fully set forth herein.

DEFAULT. Upon the occurrence of any one of the following events (Each, an "Event or Default" or "default" or "event of default"), Lender's obligations, if any, to make any advances will, at Lender's option, immediately terminate and Lender, at its option, may declare all indebtedness of Borrower to Lender under this Note immediately due and payable without further notice of any kind notwithstanding anything to the contrary in this Note or any other agreement: (a) Borrower's failure to make any payment on time in the amount due; (b) any default by Borrower under the terms of this Note or any other Related Documents executed in connection with this Note; (c) any default by Borrower under the terms of any Related Documents in favor of Lender; (d) the dissolution or termination of existence of Borrower or any guarantor; (e) Borrower is not paying Borrower's debts as such debts become due; (f) the commencement of any proceeding under bankruptcy or insolvency laws by or against Borrower or any guarantor or the appointment of a receiver; (g) any default under the terms of any other indebtedness of Borrower to any other creditor; (h) any writ of attachment, garnishment, execution, tax lien or similar instrument is issued against any collateral securing the loan, if any, or any of Borrower's property or any judgment is entered against Borrower or any guarantor; (i) any part of Borrower's business is sold to or merged with any other business, individual, or entity; (j) any representation or warranty made by Borrower to Lender in any of the Related Documents or any financial statement delivered to Lender proves to have been false in any material respect as of the time when made or given; (k) if any guarantor, or any other party to any Related Documents in favor of Lender entered into or delivered in connection with this Note terminates, attempts to terminate or defaults under any such Related Documents in favor of Lender entered into or delivered in connection with this Note terminates, attempts to terminate or defaults under any such Related Documents; (l) Lender has deemed itself insecure or there has been a material adverse change of condition of the financial prospects of Borrower or any collateral securing the obligations owing to Lender by Borrower. Upon the occurrence of an event of default, Lender may pursue any remedy available under any Related Document, at law or in equity.

GENERAL WAIVERS. To the extent permitted by law, the Borrower severally waives any required notice of presentment, demand, acceleration, intent to accelerate, protest and any other notice and defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral. No failure or delay on the part of Lender, and no course of dealing between Borrower and Lender, shall operate as a waiver of such power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof or the exercise of any other power or right.

JOINT AND SEVERAL LIABILITY. If permitted by law, each Borrower executing this Note is jointly and severally bound.

SEVERABILITY. If a court of competent jurisdiction determines any term or provision of this Note is invalid or prohibited by law, that term or provision will be ineffective to the extent required. Any term or provision that has been determined to be invalid or prohibited will be severed from the rest of this Note without invalidating the remainder of either the affected provision or this Note.

SURVIVAL. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this Note shall be binding on all heirs, executors, administrators, assigns and successors of Borrower.

ASSIGNABILITY. Lender may assign, pledge or otherwise transfer this Note or any of its rights and powers under this Note without notice, with all or any of the obligations owing to Lender by Borrower, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Borrower may not assign this Note or any benefit accruing to it hereunder or delegate any of its obligations hereunder without the express written consent of the Lender.

GOVERNING LAW. This Note is governed by the laws of the state of Texas except to the extent that federal law controls. Venue shall be deemed to be proper in Young, County, Texas, being the place of payment on this note and the place at which the contract had its inception and is to be performed.

HEADING AND GENDER. The headings preceding text in this Note are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Note shall be construed to be of such gender or number as the circumstances require.

ATTORNEYS' FEES AND OTHER COSTS. If legal proceedings are instituted to enforce the terms of this Note, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorney's fees, to the extent permitted by law.

ADDITIONAL PROVISIONS. Federal Small Business Certification. Borrower represents, warrants and certifies, that none of the principals of Borrower or Borrower's affiliates have been convicted of, or pleaded nolo contendere to, any offense covered by 42 U.S.C. sec.16911(7). For purposes of this subsection, the term "principal" means: (a) with respect to a sole proprietorship, the proprietor; (b) with respect to a partnership, each managing partner and each partner who is a natural person and holds twenty percent (20.00%) or more ownership interest in the partnership; and (c) with respect to a corporation, limited liability company, association or development company, each director, each of the five most highly compensated executives or officers of the entity, and each natural person who is direct or indirect holder of twenty percent (20.00%) or more of the ownership stock or stock equivalent of the entity.

The loan proceeds are to fund operation of its nursing homes, including Borrower's inter-governmental transfers for Borrower's participation in the Quality Incentive Payment Program for Nursing Facilities provided for and described in Tex. Admin. Code §353.1301 and §353.1303, Borrower and signers, with proper board of director approval and consent, certify the loan proceeds will be used for this sole purpose, and to the best of their knowledge, they are authorized to borrow this loan for this purpose. Borrower agrees to cause all "QIPP capitation rate components" funds ("QIPP Funds") as defined in Tex. Admin. Code §353.1303(g) to be direct deposited by the Managed Care Organizations described in Tex. Admin. Code §353.1303(b)(6) into the Borrower's Government Receivables Account at Interbank in Graham, Texas. The account number for the Government Receivables Account is 1755271008. Said account shall be subject to a Deposit Account Instruction and Service Agreement ("DAISA") entered between Lender, Interbank, and Borrower that requires all QIPP Funds on deposit to be swept daily into the Borrower's Funding and Disbursement Account, account number 1755470228. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement ("DACA") between Lender, Interbank, and Borrower. Pursuant to Texas Admin. Code §353.1303(g)(1)(C), Borrower shall receive monthly Component One Funds after filing of a Quality Assurance Performance Improvement (QAPI) Validation Report. Upon the receipt of these funds, Borrower agrees that the monthly obligations on this Note must be satisfied before transferring any excess Component One funds from the Disbursement Account.

This Note and the Related Documents constitute the complete and final expression of the parties' loan agreement and may not be amended or modified by oral agreement.

No present or future agreement securing any other debt owed to Salt Creek Capital, LLC will secure the payment of this Loan if, with respect to this loan, Borrower fails to fulfill any necessary requirements or limitations of Sections 19(a), 32 or 35 of Regulation Z or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007. This Note is governed by the laws of Texas and the United States of America, and to the extent required, by the laws of the jurisdiction where the property securing this Note is located, except to the extent such state laws are preempted by federal law. Borrower agrees to supply Salt Creek Capital, LLC with whatever information it reasonably requests. Salt Creek Capital, LLC will make requests for this information without undue frequency and will give Borrower reasonable time in which to supply the information. Unless otherwise required by law, any notice will be given by delivering it or mailing it by email or first class mail. Notice to one Borrower will be deemed to be notice to all Borrowers. Borrower will inform Salt Creek Capital, LLC in writing of any change in my name, address or other application information and agrees to provide Salt Creek Capital,

Loan 12-Salt Creek Capital, LLC

LLC any correct and complete financial statements or other information it requests. Borrower agrees to sign, deliver, and file any additional documents or certifications that Salt Creek Capital, LLC may consider necessary to perfect, continue, and preserve any obligations under the Loan and to confirm Salt Creek Capital, LLC lien status on any Property. Time is of the essence.

By signing this Note, Borrower acknowledges reading, understanding, and agreeing to all its provisions and receipt of a true and complete copy of this Note.

Borrower: Winnie-Stowell Hospital District

By: _____

Name: _____

Title: _____

Exhibit "A" Payment Schedule

Balloon Loan Calculator



<http://www.vertex42.com/ExcelTemplates/balloon-loan-calculator.html>

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Borrower: Winnie Stowell Hospital District

P.O. Box 1997
Winnie Texas 77706
Phone: (409)296-1003

Lender: Salt Creek Capital, LLC

P.O. Box 930, 455 Elm Street, Suite 100,
Graham, Texas 76540
Phone: (940)549-3456

Inputs

Loan Amount	\$2,765,389	
Annual Interest Rate	16.80%	
Amortization Period	0.8333333333	months
Number of Payments	10	months
Begin Date	11/1/2017	
Interest Only	No	

Assumptions

- * Interest compounds monthly
- * Payments made at end of month
- * Balloon amount paid on last payment

Summary

Total Payments	\$ 3,057,324.60
Total Interest Paid	\$ 291,935.60

Amortization Schedule

Month	Date	Payment	Interest	Principal	Balance
	11/1/2017	-	-	-	\$ 2,765,389.00
1	12/1/2017	38,715.45	38,715.45	0.00	2,765,389.00
2	1/1/2018	38,715.45	38,715.45	0.00	2,765,389.00
3	2/1/2018	38,715.45	38,715.45	0.00	2,765,389.00
4	3/1/2018	38,715.45	38,715.45	0.00	2,765,389.00
5	4/1/2018	483,743.80	38,715.45	445,028.35	2,320,360.65
6	5/1/2018	483,743.80	32,485.05	451,258.75	1,869,101.90
7	6/1/2018	483,743.80	26,167.43	457,576.37	1,411,525.53
8	7/1/2018	483,743.80	19,761.36	463,982.44	947,543.09
9	8/1/2018	483,743.80	13,265.60	470,478.20	477,064.89
10	9/1/2018	483,743.80	6,678.91	477,064.89	0.00

LOAN 12
AMENDED LOAN AND SECURITY AGREEMENT FOR
10 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
November 1, 2017 – September 1, 2018

Effective as of November 1, 2017, WINNIE-STOWELL HOSPITAL DISTRICT, a political subdivision of the State of Texas (“Debtor”), whose address is P.O. Box 1997, Winnie, Texas 77665, and SALT CREEK CAPITAL, LLC (“Secured Party”), a Texas limited liability company whose address is P.O. Box 930, 455 Elm Street, Suite 100, Graham, Texas 76540, agree as follows:

ARTICLE 1
LOAN AGREEMENT

Debtor is a Political Subdivision of the State of Texas that was created pursuant to Article IX, Section 9 of the Texas Constitution and Chapter 286 of the Health and Safety Code. Pursuant to Article III, Section 52 of the Texas Constitution, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. Both the Debtor and the Lender understand that neither the State of Texas, the unit, nor any political corporation, subdivision, or agency of the state (i.e., the Debtor) shall be obligated to pay the same or the interest thereon and that neither the faith and credit nor the taxing power of the state, the unit, or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on such debt, note, or bonds.

Debtor and Secured Party have agreed that Secured Party will from time to time, in its discretion and on an uncommitted basis, fund a loan or loans to Debtor to fund Debtor’s operation of its nursing homes, including Debtor’s inter-governmental transfers for Debtor’s participation in the Quality Incentive Payment Program for Nursing Facilities provided for and described in Tex. Admin. Code §353.1301 and §353.1303, as amended, each such loan to be evidenced by a promissory note (the “Note”), whether one or more) executed or to be executed by Debtor and made payable to the order of Secured Party. Debtor agrees to cause all “QIPP capitation rate components” funds (“QIPP Funds”) as defined in Tex. Admin. Code §353.1303(g) to be direct deposited by the Managed Care Organizations described in Tex. Admin. Code §353.1303(b)(6) into the Debtor’s Government Receivables Account at Interbank in Graham, Texas. The account number for the Government Receivables Account is 1755271008. Said account shall be subject to a Deposit Account Instruction and Service Agreement (“DAISA”) entered between Secured Party, Interbank, and Debtor that requires all QIPP Funds on deposit to be swept daily into the Debtor’s Funding and Disbursement Account, account number 1755470228. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement (“DACA”) between Secured Party, Interbank, and Debtor. Pursuant to Texas Admin. Code §353.1303(g)(1)(C), Debtor shall receive monthly Component One Funds after filing of a Quality Assurance Performance Improvement (QAPI) Validation Report. Upon the receipt of these funds, Debtor agrees that the monthly obligations on the Note must be satisfied before transferring any excess Component One funds from the Disbursement Account.

ARTICLE 2
CREATION OF SECURITY INTEREST

In order to secure the prompt and unconditional payment of the Debt (defined in Section 3.2) and the other obligations of Debtor hereinafter described or referred to, and the performance of the obligations, covenants, agreements and undertakings herein described, and to the extent allowed by the United States Code; Code of Federal Regulations; any rules and regulations promulgated by an agent of the United State of America, including but not limited to, the Center for Medicare and Medicaid Services (“CMS”); Article III, Section 52 of the Texas Constitution; or statutes of the State of Texas, Debtor hereby grants to Secured Party a security interest in and mortgages, assigns, transfers, delivers, pledges, sets over and confirms to Secured Party all of Debtor’s non-Federal, non-Medicaid, or non-Medicare revenues, powers, privileges, rights, titles and interests (including all power of Debtor, if any, to pass greater title than it has itself) of every kind and character now owned or hereafter acquired, created or arising in and to the following:

- (i) Account maintained by the Debtor with InterBank, Graham, Texas, Account Number: 1755470228, for the purpose of serving as the Debtor’s Funding and Disbursement Account.
- (ii) To the extent allowed by the laws of the United States and the State of Texas, all other bank deposit accounts now owned or hereafter established or acquired by Debtor with InterBank, Graham, Texas or any other state bank or national banking association; and
- (iii) all interest on the foregoing; all modifications, extensions and increases of the foregoing; all sums now or at any time hereafter on deposit in the foregoing or represented by the foregoing; all shares, deposits, investments and interest of every kind of Debtor at any time evidenced by any deposit account receipt or certificate relating to the foregoing or issued in connection with the foregoing, and all other related property;

together with all accessions, appurtenances and additions to and substitutions for any of the foregoing and all products and proceeds of any of the foregoing, together with all renewals and replacements of any of the foregoing, all accounts, receivables, accounts receivable, instruments, notes, chattel paper, documents, books, records, contract rights and general intangibles arising in connection with any of the foregoing. All of the property and interests described in this Article are herein collectively called the “Collateral.” The inclusion of proceeds does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not authorized by Secured Party in writing. It is expressly contemplated that additional Collateral may from time to time be pledged to Secured Party as additional security for the Debt (hereinafter defined), and the term “Collateral” as used herein shall be deemed for all purposes hereof to include all such Collateral, together with all other property of the types described above related to the Collateral.

Each capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

ARTICLE 3
SECURED INDEBTEDNESS

3.1. This Security Agreement (this “Agreement”) is made to secure Note, (10 Month Day) Short Term Commercial Note signed on November 1, 2017 by the Debtor with a term ending September 1, 2018, and all of the following present and future debt and obligations including:

- (a) any and all obligations of Debtor, whether absolute or contingent and howsoever and whensoever arising under the Note or any of them;

- (b) any and all obligations of Debtor evidenced by the Note and the any Related Documents (as defined in the Note, to which reference is here made for all purposes);
- (c) all other obligations incurred by Debtor to Secured Party, if any, described or referred to in any other place in this Agreement; and
- (d) any and all sums and the interest which accrues on them as provided in this Agreement which Secured Party may advance or which Debtor may owe Secured Party pursuant to this Agreement on account of Debtor's failure to keep, observe or perform any of Debtor's covenants under this Agreement.

3.2. The term "Debt" means and includes all debt and obligations of Debtor to Secured Party described or referred to in Section 3.1. The Debt includes interest and other obligations accruing or arising on the Debt after (a) commencement of any case under any bankruptcy or similar laws by or against any party comprising Debtor or any other person or entity now or hereafter primarily or secondarily obligated to pay all or any part of the Debt (with such parties comprising Debtor and any such other persons and entities being sometimes hereinafter collectively referred to as "Obligors") or (b) the obligations of any Obligor shall cease to exist by operation of law or for any other reason. The Debt also includes all reasonable attorneys' fees and any other expenses incurred by Secured Party in enforcing this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Debtor represents and warrants as follows:

- (a) Debtor is the legal and equitable owner and holder of good and marketable title to the Collateral free of any adverse claim and free of any security interest or encumbrance except only for the security interest granted hereby in the Collateral. Debtor agrees to defend the Collateral and its proceeds against all claims and demands of any person at any time claiming the Collateral, its proceeds or any interest in either. Debtor has not heretofore granted control of the Collateral to any Person other than Secured Party or signed or authorized the filing of any financing statement directly or indirectly affecting the Collateral or any part of it which has not been completely terminated of record, and no such financing statement signed or authorized by Debtor is now on file in any public office.
- (b) Debtor's execution, delivery and performance of this Agreement has been duly authorized by all necessary action under Debtor's organizational documents and otherwise. Debtor's execution, delivery and performance of this Agreement do not and will not require (i) any consent of any other person or entity or (ii) any consent, license, permit, authorization or other approval (including foreign exchange approvals) of any court, arbitrator, administrative agency or other governmental authority, or any notice to, exemption by, any registration, declaration or filing with or the taking of any other action in respect of, any such court, arbitrator, administrative agency or other governmental authority.
- (c) Neither execution or delivery of this Agreement, nor the fulfillment of or compliance with the terms and provisions hereof will (i) violate any constitutional provision, law or rule, or any regulation, order or decree of any governmental authority or the basic organizational documents of Debtor or (ii) conflict with or result in a breach of the terms, conditions or provisions of, or cause a default under, any agreement, instrument, franchise, license or concession to which Debtor is a party or bound.

- (d) Debtor has duly and validly executed, issued and delivered this Agreement. This Agreement is in proper legal form for prompt enforcement and is Debtor's valid and legally binding obligation, enforceable in accordance with its respective terms. Debtor does not have any indebtedness other than indebtedness owing to Secured Party and indebtedness specifically disclosed in writing to Secured Party prior to the date hereof.
- (e) Debtor is now solvent, and no bankruptcy or insolvency proceedings are pending or contemplated by or to Debtor's knowledge against Debtor. Debtor's liabilities and obligations under this Agreement do not and will not render Debtor insolvent, because Debtor's liabilities to exceed Debtor's assets or leave Debtor with too little capital to properly conduct all of its business as now conducted or contemplated to be conducted.
- (f) All of Debtor's books and records with regard to the Collateral are maintained and kept at the address of Debtor set forth in this Agreement.
- (g) The liens and security interests of this Agreement will constitute valid and perfected first and prior liens and security interests on the Collateral, subject to no other liens, security interests or charges whatsoever.
- (h) The Collateral is genuine, free from any restriction on transfer, duly and validly authorized and issued, constituting the valid and legally binding obligation of the issuer or issuers thereof, enforceable in accordance with its terms, and fully paid, and is hereby duly and validly pledged and hypothecated to Secured Party in accordance with law.
- (i) There is no action, suit or proceeding pending or, to the best of Debtor's knowledge, threatened against or affecting Debtor or the Collateral, at law or in equity, or before or by any governmental authority, which might result in any material adverse change in Debtor's business or financial condition or in the Collateral or in Debtor's other property or Debtor's interest in it.
- (j) Debtor is not in default with respect to any order, writ, injunction, decree or demand of any court or other governmental authority, in the payment of any debt for borrowed money or under any agreement or other papers evidencing or securing any such debt.
- (k) Debtor is not a party to any contract or agreement which materially and adversely affects its business, property, assets or financial condition.

ARTICLE 5 COVENANTS

- 5.1. Debtor covenants and agrees with Secured Party as follows:
- (a) Debtor shall furnish to Secured Party such instruments as may be reasonably required by Secured Party to assure Secured Party's control of the Collateral and the transferability of the Collateral when and as often as may be requested by Secured Party.
 - (b) If the validity or priority of this Agreement or of any rights, titles, security interests or other interests created or evidenced hereby shall be attacked, endangered or questioned or if any legal proceedings are instituted with respect thereto, Debtor will give prompt written notice thereof to Secured Party and at Debtor's own cost and expense will diligently endeavor to cure any defect that may be developed or claimed, and will take all necessary and proper steps for the defense of such legal

proceedings, and Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the rights, titles, security interests and other interests created or evidenced hereby, and all expenses so incurred of every kind and character shall constitute sums advanced pursuant to Section 5.2.

- (c) Debtor will, on request of Secured Party, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof, (ii) execute, acknowledge, deliver and record or file such further instruments (including further security agreements, financing statements and continuation statements) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically any renewals, additions, substitutions, replacements or appurtenances to the then Collateral, and (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and Debtor will pay all costs connected with any of the foregoing.
- (d) To the extent not prohibited by applicable law, Debtor will pay all out-of-pocket costs and expenses and reimburse Secured Party for any and all expenditures of every character incurred or expended from time to time in connection with enforcing and realizing upon Secured Party's security interests in and liens on any of the Collateral, and all costs and expenses relating to Secured Party's exercising any of its rights and remedies under this Agreement or at law; provided, that no right or option granted by Debtor to Secured Party or otherwise arising pursuant to any provision of this or any other instrument shall be deemed to impose or admit a duty on Secured Party to supervise, monitor or control any aspect of the character or condition of any of the Collateral or any operations conducted in connection with it for the benefit of Debtor or any other person or entity other than Secured Party. Any amount to be paid under this Section by Debtor to Secured Party shall be a demand obligation owing by Debtor to Secured Party and shall bear interest from the date of expenditure until paid at the highest lawful rate permitted by applicable law (the "Past Due Rate").
- (e) Debtor will not sell, lease, exchange, lend, rent, assign, transfer or otherwise dispose of, or pledge, hypothecate or grant any security interest in, or permit to exist any lien, security interest, charge or encumbrance against, all or any part of the Collateral or any interest therein or permit any of the foregoing to occur or arise or permit title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise, without the prior written consent of Secured Party.
- (f) Debtor agrees that as part of this Security Agreement, Debtor will comply with the terms of its Second Amended Transfer Procedures adopted by the Debtor's Board on January 20, 2016, including, but not limited, obtaining written consent of the Secured Party before changing the Procedures.

5.2. If Debtor should fail to comply with any of its agreements, covenants or obligations under this Agreement and such failure continues beyond any applicable notice or cure period afforded herein, then Secured Party (in Debtor's name or in Secured Party's own name) may perform them or cause them to be performed for Debtor's account and at Debtor's expense, but shall have no obligation to perform any of them or cause them to be performed. Any and all expenses thus incurred or paid by Secured Party shall be

Debtor's obligations to Secured Party due and payable on demand, and each shall bear interest from the date Secured Party pays it until the date Debtor repays it to Secured Party, at the Past Due Rate. Upon making any such payment or incurring any such expense, Secured Party shall be fully and automatically subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts owing by Debtor to Secured Party pursuant to this or any other provision of this Agreement shall automatically and without notice be and become a part of the Debt and shall be secured by this and all other instruments securing the Debt.

ARTICLE 6 EVENTS OF DEFAULT

The occurrence of an Event of Default under any Note shall constitute an Event of Default (herein so called) under this Agreement.

ARTICLE 7 REMEDIES IN EVENT OF DEFAULT

- 7.1. At any time after the occurrence of an Event of Default:
- (a) Secured Party shall have the option of declaring, without notice to any person, all Debt to be immediately due and payable and take possession of such Debt and all accrued and unpaid interest from any accounts on which secured party has perfected a lien;
 - (b) Secured Party shall have all the rights of a secured party after default under the Uniform Commercial Code of Texas and in conjunction with, in addition to or in substitution for those rights and remedies:
 - (i) it shall not be necessary that the Collateral or any part thereof be present at the location of any sale pursuant to the provisions of this Article; and
 - (ii) before application of proceeds of disposition of the Collateral to the Debt, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Secured Party, each Obligor, to the extent applicable, to remain liable for any deficiency; and
 - (iii) the sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the Debt, this Agreement and the security interest created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and
 - (iv) in the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and
 - (v) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of any

indebtedness or as to the occurrence of any default, or as to Secured Party having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and the Collateral to be sold having been duly given, as to any other act or thing having been duly done by Secured Party, shall be taken as *prima facie* evidence of the truth of the facts so stated and recited; and

- (vi) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party; and
- (vii) demand of performance, advertisement and presence of property at sale are hereby WAIVED by Debtor and Secured Party is hereby authorized to sell hereunder any evidence of debt it may hold as security for the Debt. All demands and presentments of any kind or nature are expressly WAIVED by Debtor. Debtor WAIVES the right to require Secured Party to pursue any other remedy for the benefit of Debtor and agrees that Secured Party may proceed against any Obligor for the amount of the Debt owed to Secured Party without taking any action against Debtor any other Obligor without selling or otherwise proceeding against or applying any of the Collateral in Secured Party's possession.

7.2. All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Debt, or any part thereof, or otherwise benefiting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

7.3. Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the Debt, in whole or in part, and in such portions and in such order as may seem best to Secured Party in its sole and absolute discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

7.4. To the full extent Debtor may do so, Debtor agrees that Debtor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Debtor, for Debtor, Debtor's heirs, devisees, executors, administrators, personal representatives, successors, receivers, trustees and assigns, and for any and all persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby WAIVES and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or to declare due the whole of the Debt, notice of election to mature or to declare due the whole of the Debt and all rights to a marshaling of the assets of Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

ARTICLE 8
ADDITIONAL AGREEMENTS

8.1. Subject to the automatic reinstatement provisions set forth below, upon full payment and performance of the Debt and final termination of all obligations, if any, of Secured Party to fund loans or provide other financial accommodations to or for Debtor, all rights under this Agreement shall terminate and the Collateral shall thereafter become wholly clear of the security interest evidenced hereby, and upon written request by Debtor such security interest shall be released by Secured Party in due form, at Debtor's cost.

8.2. Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Debtor in any case shall of itself entitle Debtor to any other or further notice or demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

8.3. Secured Party shall not be required to take any steps necessary to preserve any rights against prior parties to any of the Collateral.

8.4. The security interest and other rights of Secured Party hereunder shall not be impaired by any indulgence, moratorium or release granted by Secured Party, including but not limited to (a) any renewal, extension or modification which Secured Party may grant with respect to the Debt, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Secured Party may grant in respect of any item of the Collateral, or any part thereof or any interest therein, or (c) any release or indulgence granted to any endorser, guarantor or surety of the Debt.

8.5. Debtor hereby authorizes Secured Party to cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Secured Party shall reasonably elect and will pay all such recording, filing, re-recording, and refiling taxes, fees and other charges. Debtor also hereby authorizes Secured Party to take such other measures as Secured Party may deem necessary or appropriate to perfect any security interests created hereunder in and to the Collateral.

8.6. In the event the ownership of the Collateral or any part thereof becomes vested in a person other than Debtor, Secured Party may, without notice to Debtor, deal with such successor or successors in interest with reference to this Agreement and to the Debt in the same manner as with Debtor, without in any way vitiating or discharging Debtor's liability hereunder or upon the Debt. No sale of the Collateral, and no forbearance on the part of Secured Party and no extension of the time for the payment of the Debt given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Debtor hereunder for the payment of the Debt or the liability of any other person hereunder for the payment of the Debt, except as agreed to in writing by Secured Party.

8.7. Any other or additional security taken for the payment of any of the Debt shall not in any manner affect the security given by this Agreement.

8.8. If any part of the Debt cannot be lawfully secured by this Agreement, or if the lien, assignments and security interests of this Agreement cannot be lawfully enforced to pay any part of the Debt, then and in either such event, at the option of Secured Party, all payments on the Debt shall be deemed to have been first applied against that part of the Debt.

8.9. This Agreement shall not be changed orally but shall be changed only by agreement in writing signed by Debtor and Secured Party. No course of dealing between the parties, no usage of trade and no parole or extrinsic evidence of any nature shall be used to supplement or modify any of the terms or provisions of this Agreement.

8.10. Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering it against receipt for it, by depositing it with an overnight delivery service or by depositing it in a receptacle maintained by the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, addressed to the respective parties at the addresses shown herein (and if so given, shall be deemed given when mailed). Debtor's address for notice may be changed at any time and from time to time, but only after thirty (30) days' advance written notice to Secured Party and shall be the most recent such address furnished in writing by Debtor to Secured Party. Secured Party's address for notice may be changed at any time and from time to time, but only after ten (10) days' advance written notice to Debtor and shall be the most recent such address furnished in writing by Secured Party to Debtor. Actual notice, however and from whomever given or received, shall always be effective when received.

8.11. This Agreement shall be binding upon Debtor, and the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of Debtor, including all successors in interest of Debtor in and to all or any part of the Collateral, and shall benefit Secured Party and its successors and assigns.

8.12. Secured Party is hereby authorized at any time and from time to time after the occurrence of an Event of Default, without notice to any person or entity (and Debtor hereby WAIVES any such notice) to the fullest extent permitted by law, to set-off and apply any and all monies, securities and other properties of Debtor now or in the future in the possession, custody or control of Secured Party, or on deposit with or otherwise owed to Debtor by Secured Party including without limitation the Collateral and all other monies, securities and other properties held in general, special, time, demand, provisional or final accounts or for safekeeping or as collateral or otherwise (but excluding those accounts clearly designated as escrow or trust accounts held by Debtor for others unaffiliated with Debtor) against any and all of Debtor's obligations to Secured Party now or hereafter existing, irrespective of whether Secured Party shall have made any demand therefor.

8.13. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and this Agreement shall be liberally construed so as to carry out the intent of the parties to it. Each waiver in this Agreement is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Secured Party for having bargained for and obtained it.

8.14. The pronouns used in this Agreement are in the masculine and neuter genders but shall be construed as feminine, masculine or neuter as occasion may require. "Secured Party", "Obligor" and "Debtor" as

used in this Agreement include the heirs, devisees, executors, administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and assigns of those parties.

8.15. The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Terms used in this Agreement which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined. Wherever the term “including” or a similar term is used in this Agreement, it shall be read as if it were written “including by way of example only and without in any way limiting the generality of the clause or concept referred to.”

8.16. This Agreement is performable in Young County, Texas, which shall be a proper place of venue for suit on or in respect of this Agreement. Debtor irrevocably agrees that any legal proceeding in respect of this Agreement shall be brought in the district courts of Young County, Texas or the United States District Court for the Northern District of Texas. Nothing herein shall affect the right of Secured Party to commence legal proceedings or otherwise proceed against Debtor in any jurisdiction or to serve process in any manner permitted by applicable law. Debtor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE APPLICABLE LAWS OF THE STATE OF TEXAS AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.

8.17. Debtor agrees that, if at any time all or any part of any payment previously applied by Secured Party to the Debt is or must be returned by Secured Party or recovered from Secured Party for any reason (including the order of any bankruptcy court), this Agreement shall automatically be reinstated to the same effect, as if the prior application had not been made, and, in addition, Debtor hereby agrees to indemnify Secured Party against, and to save and hold Secured Party harmless from any required return by Secured Party or recovery from Secured Party of any such payments because of its being deemed preferential under applicable bankruptcy, receivership or insolvency laws, or for any other reason.

8.18. This Agreement embodies the entire agreement and understanding between Secured Party and Debtor with respect to their subject matter and supersedes all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Debtor acknowledges and agrees there is no oral agreement between Debtor and Secured Party which has not been incorporated in this Agreement.

8.19. Provided no default or Event of Default is continuing, cash on deposit comprising the Collateral may be requested by Debtor to pay for customary operating expenses of the Project incurred by Debtor after the date the Evidence of Completion has been delivered to Lender. Such requests shall be accompanied by bills or invoices setting forth in reasonable detail the basis for the expense, the name of the payee, and all relevant payment information.

[SIGNATURE PAGE FOLLOWS]

NOTICE PURSUANT TO TEX. BUS. & COMM. CODE 26.02

THIS AGREEMENT, THE LOAN AGREEMENT AND ANY OTHER RELATED CREDIT DOCUMENTS TOGETHER CONSTITUTE A WRITTEN AGREEMENT AND REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

DEBTOR:

WINNIE-STOWELL HOSPITAL DISTRICT

By: _____

Name: Edward Murrell

Title: President, Winnie Stowell Hospital District

SECURED PARTY:

SALT CREEK CAPITAL, LLC

By: _____

Name: Alfred G. Allen, III

Title: President

Exhibit “E”

QIPP CASH FLOW- 1 TAC 1301 & 1 TAC 1303

QIPP Cash Flow- 1 TAC 1301 & 1 TAC 1303

Non-State Owned Governmental Organization ("NSGO")
Political Subdivision and owner of nursing facilities.

QIPP 1:	
NSGOs:	65
Public Facilities:	430
Private Facilities:	84
Total Facilities:	514

NSGOs submit IGT to State of Texas:

Total IGTs equals:	\$189,992,000.00
Reserves	\$17,272,000.00
IGT Less Reserves:	\$172,720,000.00

State submits IGT Funds to Federal Gov't.

Total Pooled NSGO IGTs to State of Texas \$172,720,000.00



Supplemental funds returned to State (IGT Funds plus Supplemental Funds).

Return of IGT to State	\$172,720,000.00
Federal Funds to State	\$227,280,000.00
QIPP Program Funds Returned to State:	\$400,000,000.00

State Funds after Fed IGT

Return of IGT to State	\$172,720,000.00
Federal Funds to State	\$227,280,000.00
Reserves:	\$17,272,000.00
State Funds After Fed Match	\$417,272,000.00

Paid to Managed Care Organization and NSGO



MCOs-Managed Care Organizations (Ins. Companies)

- State contracts with MCOs to manage Medicaid programs and Supplemental Payments.
- Each Nursing facility associates with up to five MCOs.

Payments:

State Portion to MCO (Component 1)	\$172,720,000.00
Federal Portion to MCO (Component 2, 3, and Lapse)	\$227,280,000.00
Total QIPP Funds to MCO	\$400,000,000.00
MCO Margins/Taxes/Fees	(\$28,000,000.00)
Total QIPP Funds to Distribute	\$372,000,000.00
Component 1 Distribution	(\$189,992,000.00)
Component 2 and 3 Distribution	(\$182,008,000.00)
Program Funds after Fees and Distributions	\$0.00

Return of Funds and Supplemental Funds to NSGOs

Total IGT from Facilities (514)	(\$189,992,000.00)
Component 1 Distribution	\$189,992,000.00
District Funds after Component 1 Distribution	\$0.00
Reconciliation Payments/Return of Reserve	\$17,272,000.00
Component 2 and 3 Distribution	\$182,008,000.00
Total QIPP Funds Received by Districts	\$199,280,000.00

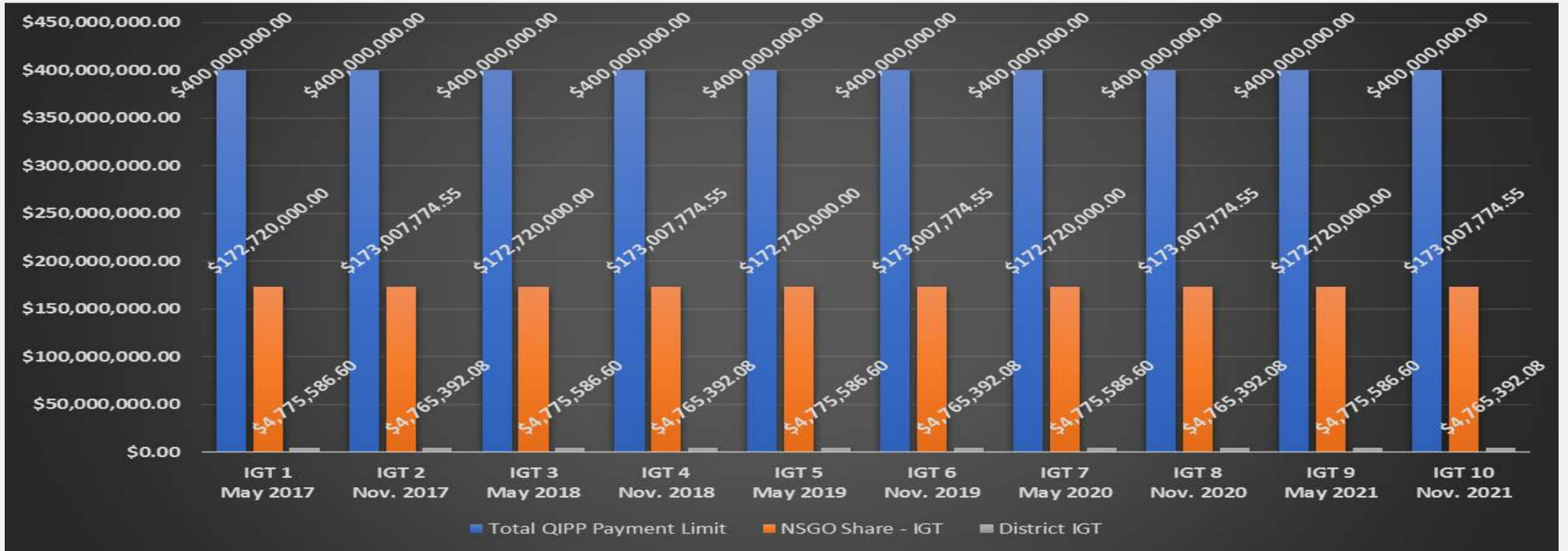
Reconciliation Reconciliation Payments

Paid directly from State out of the \$17,272,000.00 Reserves 12 months and 24 months after making IGT

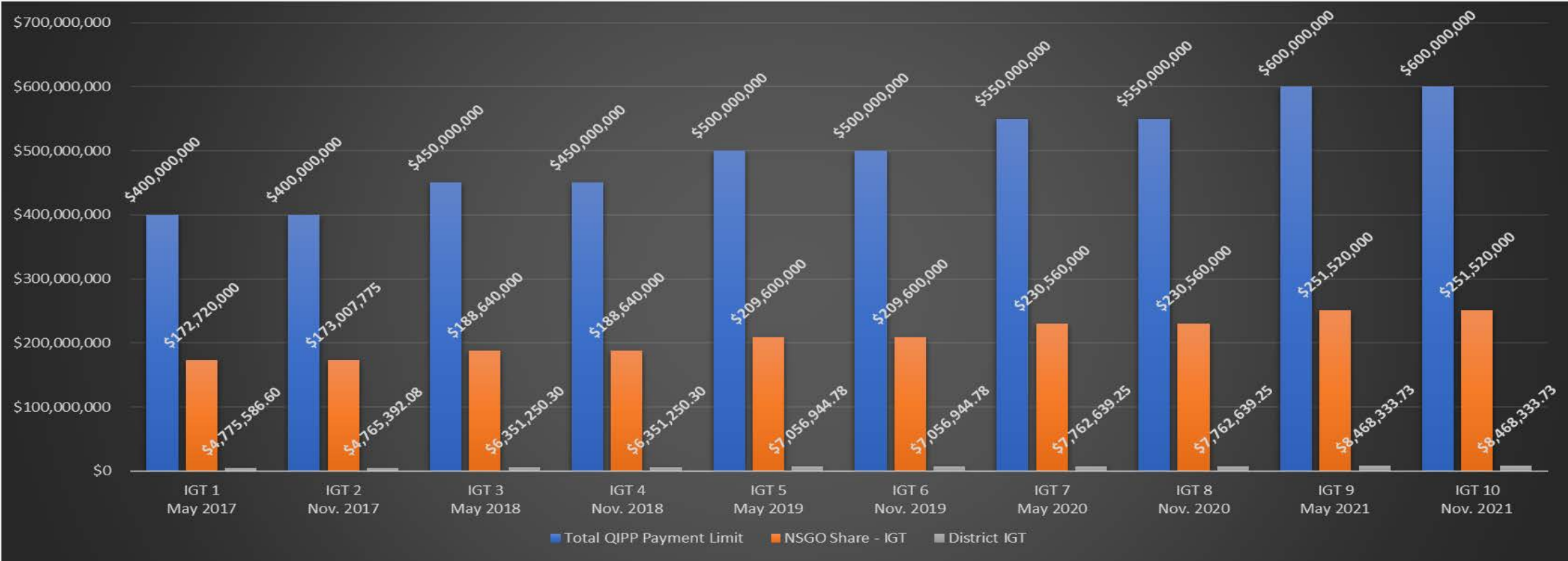
QAPI Filing Requirements

In order to receive monthly Component 1 payments, NSGO must file monthly QAPI forms.

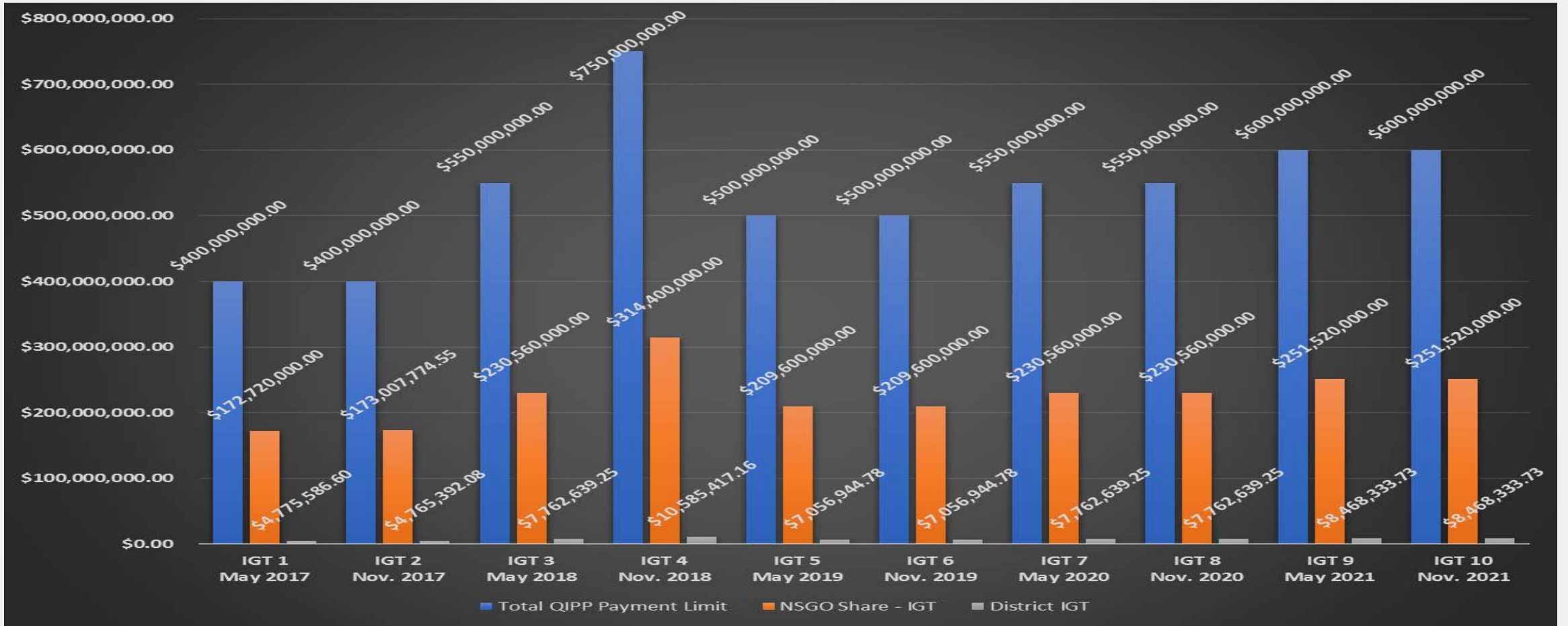
IGT/QIPP RETURN SCENARIO I-CURRENT MODEL



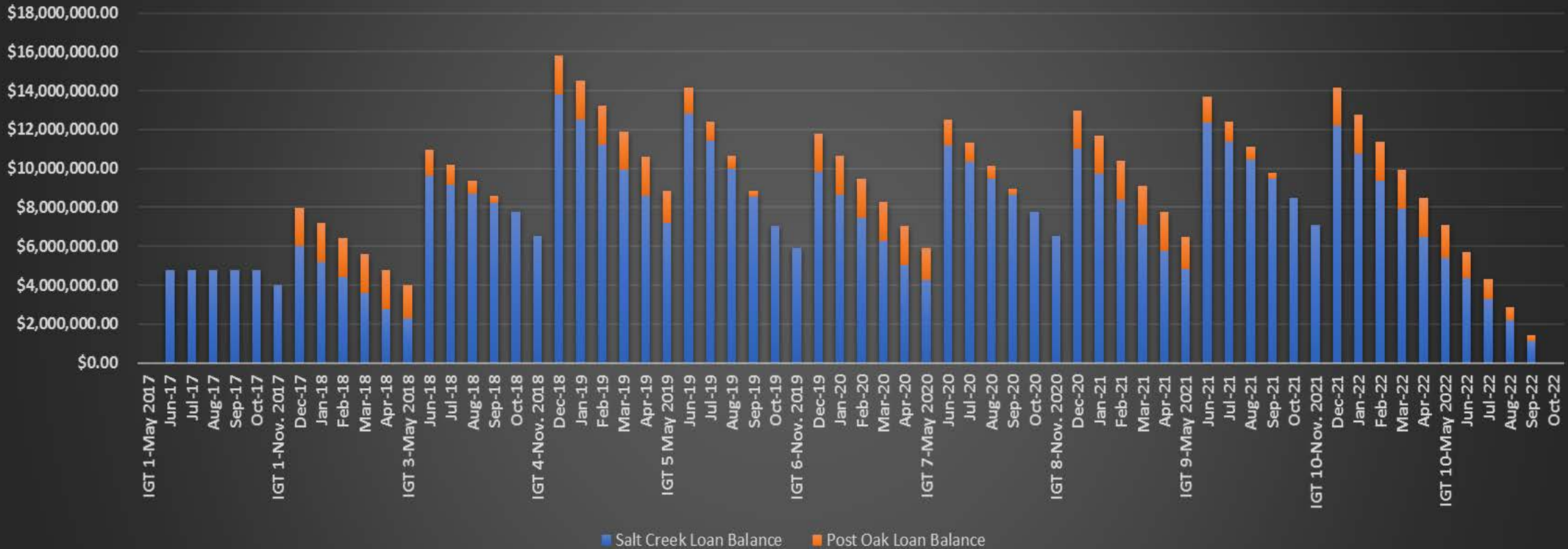
IGT/QIPP RETURN SCENARIO 2 (STAIRSTEP)



IGT/QIPP RETURN SCENARIO 3-STAGGERED



SCENARIO 3 STAGGERED LOAN BALANCE



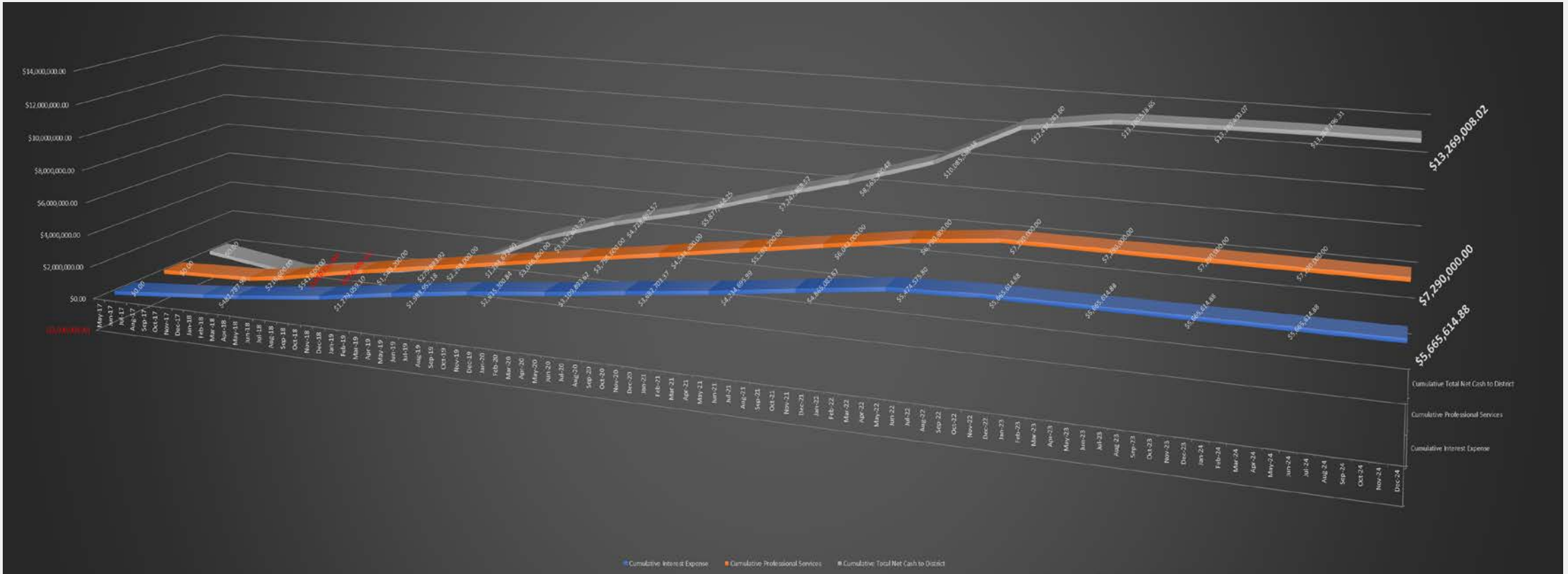
SCENARIO 2-STAIRSTEP PROFIT LOSS EXISTING LOAN MODEL

	Year 1			Year 2			Year 3			Year 4			Year 5			Grand Total Yr. 1-5
QIPP Summary by IGT	QIPP/IGT 1	QIPP/IGT 2	Year 1 Total	QIPP/IGT 3	QIPP/IGT 4	Year 2 Total	QIPP/IGT 5	QIPP/IGT 6	Year 3 Total	QIPP/IGT 7	QIPP/IGT 8	Year 4 Total	QIPP/IGT 9	QIPP/IGT 10	Year 4 Total	
Loan Received	\$4,775,587	\$4,765,392	\$9,540,979	\$6,351,250	\$6,351,250	\$12,702,501	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$68,819,315
110% IGT Out	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$6,351,250)	(\$6,351,250)	(\$12,702,501)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$68,819,315)
Total Component 1 Payments	\$4,775,587	\$4,765,392	\$9,540,979	\$6,351,250	\$6,351,250	\$12,702,501	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$68,819,315
Loan Repayment	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$6,351,250)	(\$6,351,250)	(\$12,702,501)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$68,819,315)
IGT Reconciliation	\$434,144	\$433,217	\$867,362	\$577,386	\$577,386	\$1,154,773	\$641,540	\$641,540	\$1,283,081	\$705,694	\$705,694	\$1,411,389	\$769,849	\$769,849	\$1,539,697	\$6,256,301
Qtrly Supplemental Payment	\$3,644,874	\$2,716,710	\$6,361,584	\$3,846,339	\$3,846,339	\$7,692,677	\$4,273,710	\$4,273,710	\$8,547,419	\$4,701,081	\$4,701,081	\$9,402,161	\$5,128,451	\$5,128,451	\$10,256,903	\$42,260,744
Gross Revenue/Net Proceeds	\$4,079,019	\$3,149,927	\$7,228,946	\$4,423,725	\$4,423,725	\$8,847,450	\$4,915,250	\$4,915,250	\$9,830,500	\$5,406,775	\$5,406,775	\$10,813,550	\$5,898,300	\$5,898,300	\$11,796,600	\$48,517,046
Expenses																
1) Nursing Home Expenses																
Nursing Home IGT Reconciliation Payment	(\$217,072)	(\$216,609)	(\$433,681)	(\$288,693)	(\$288,693)	(\$577,386)	(\$320,770)	(\$320,770)	(\$641,540)	(\$352,847)	(\$352,847)	(\$705,694)	(\$384,924)	(\$384,924)	(\$769,849)	(\$3,128,151)
Nursing Home Qtrly Supplemental Payment	(\$1,822,437)	(\$1,358,355)	(\$3,180,792)	(\$1,923,169)	(\$1,923,169)	(\$3,846,339)	(\$2,136,855)	(\$2,136,855)	(\$4,273,710)	(\$2,350,540)	(\$2,350,540)	(\$4,701,081)	(\$2,564,226)	(\$2,564,226)	(\$5,128,451)	(\$21,130,372)
Nursing Home Component 1 Payment	(\$52,755)	(\$66,080)	(\$118,835)	(\$88,071)	(\$88,071)	(\$176,141)	(\$97,856)	(\$97,856)	(\$195,713)	(\$107,642)	(\$107,642)	(\$215,284)	(\$117,428)	(\$117,428)	(\$234,855)	(\$940,828)
Cash Flow Timing Adjustment	\$52,755	\$66,080	\$118,835	\$88,071	\$88,071	\$176,141	\$97,856	\$97,856	\$195,713	\$107,642	\$107,642	\$215,284	\$117,428	\$117,428	\$234,855	\$940,828
Total Nursing Home Expenses	(\$2,039,509)	(\$1,574,964)	(\$3,614,473)	(\$2,211,862)	(\$2,211,862)	(\$4,423,725)	(\$2,457,625)	(\$2,457,625)	(\$4,915,250)	(\$2,703,387)	(\$2,703,387)	(\$5,406,775)	(\$2,949,150)	(\$2,949,150)	(\$5,898,300)	(\$24,258,523)
2) District Expenses			\$0													
Interest Expense	(\$504,147)	(\$354,435)	(\$858,583)	(\$518,201)	(\$395,642)	(\$913,843)	(\$575,779)	(\$453,398)	(\$1,029,177)	(\$633,357)	(\$510,798)	(\$1,144,155)	(\$690,935)	(\$568,298)	(\$1,259,233)	(\$5,204,992)
Professional Services	(\$649,800)	(\$649,800)	(\$1,299,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$7,290,000)
Total District Expenses	(\$1,153,947)	(\$1,004,235)	(\$2,158,183)	(\$1,267,001)	(\$1,144,442)	(\$2,411,443)	(\$1,324,579)	(\$1,202,198)	(\$2,526,777)	(\$1,382,157)	(\$1,259,598)	(\$2,641,755)	(\$1,439,735)	(\$1,317,098)	(\$2,756,833)	(\$12,494,992)
Total Expenses	(\$3,193,457)	(\$2,579,199)	(\$5,772,656)	(\$3,478,864)	(\$3,356,305)	(\$6,835,168)	(\$3,782,204)	(\$3,659,823)	(\$7,442,027)	(\$4,085,545)	(\$3,962,986)	(\$8,048,530)	(\$4,388,885)	(\$4,266,248)	(\$8,655,133)	(\$36,753,514)
Total Net Cash to District	\$885,562	\$570,728	\$1,456,290	\$944,861	\$1,067,420	\$2,012,282	\$1,133,046	\$1,255,427	\$2,388,473	\$1,321,230	\$1,443,789	\$2,765,020	\$1,509,415	\$1,632,052	\$3,141,467	\$11,763,531

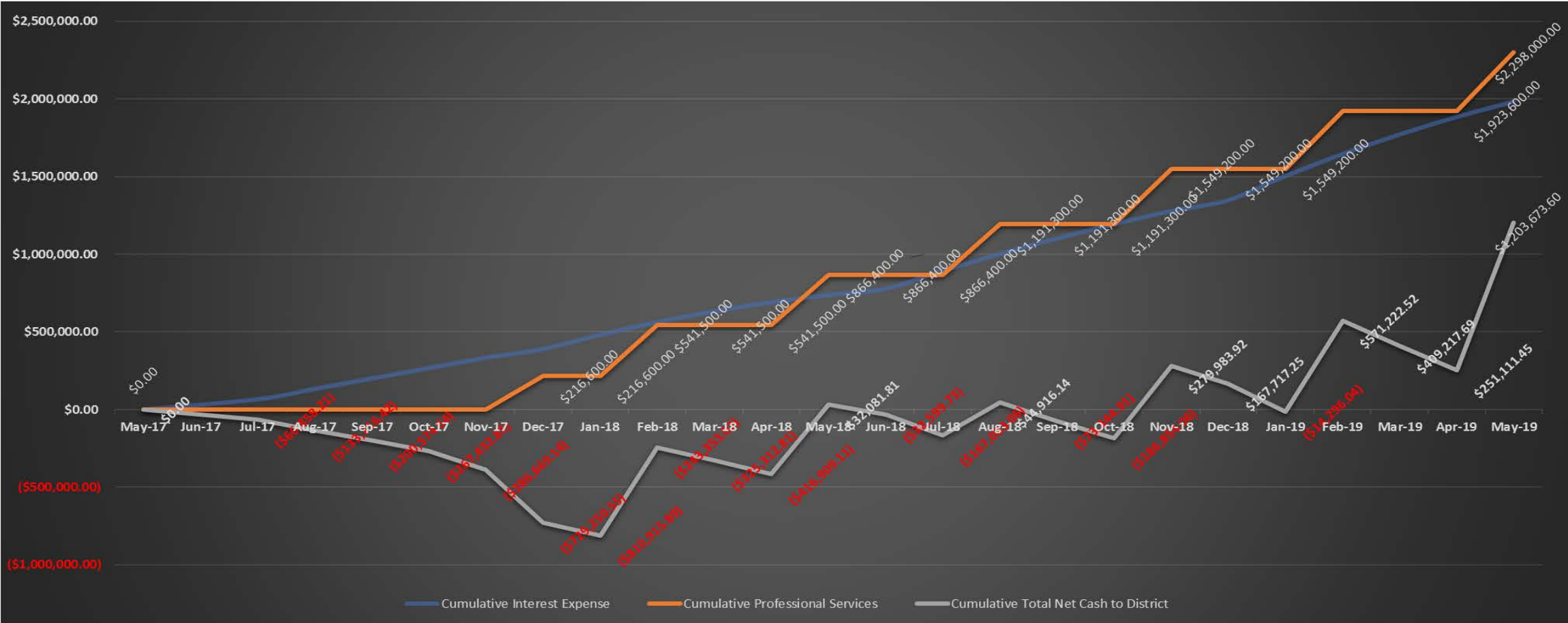
SCENARIO 3-STAGGARED PROFIT/LOSS-EXISTING LOAN MODEL

	Year 1			Year 2			Year 3			Year 4			Year 5			Grand Total Yr. 1-5
QIPP Summary by IGT	QIPP/IGT 1	QIPP/IGT 2	Year 1 Total	QIPP/IGT 3	QIPP/IGT 4	Year 2 Total	QIPP/IGT 5	QIPP/IGT 6	Year 3 Total	QIPP/IGT 7	QIPP/IGT 8	Year 4 Total	QIPP/IGT 9	QIPP/IGT 10	Year 4 Total	
Loan Received	\$4,775,587	\$4,765,392	\$9,540,979	\$7,762,639	\$10,585,417	\$18,348,056	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$74,464,871
110% IGT Out	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$7,762,639)	(\$10,585,417)	(\$18,348,056)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$74,464,871)
Total Component 1 Payments	\$4,775,587	\$4,765,392	\$9,540,979	\$7,762,639	\$10,585,417	\$18,348,056	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$74,464,871
Loan Repayment	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$7,762,639)	(\$10,585,417)	(\$18,348,056)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$74,464,871)
IGT Reconciliation	\$434,144	\$433,217	\$867,362	\$705,694	\$962,311	\$1,668,005	\$641,540	\$641,540	\$1,283,081	\$705,694	\$705,694	\$1,411,389	\$769,849	\$769,849	\$1,539,697	\$6,769,534
Qtrly Supplemental Payment	\$3,644,874	\$2,716,710	\$6,361,584	\$4,701,081	\$6,410,564	\$11,111,645	\$4,273,710	\$4,273,710	\$8,547,419	\$4,701,081	\$4,701,081	\$9,402,161	\$5,128,451	\$5,128,451	\$10,256,903	\$45,679,712
Gross Revenue/Net Proceeds	\$4,079,019	\$3,149,927	\$7,228,946	\$5,406,775	\$7,372,875	\$12,779,650	\$4,915,250	\$4,915,250	\$9,830,500	\$5,406,775	\$5,406,775	\$10,813,550	\$5,898,300	\$5,898,300	\$11,796,600	\$52,449,246
Expenses																
1) Nursing Home Expenses																
Nursing Home IGT Reconciliation Payment	(\$217,072)	(\$216,609)	(\$433,681)	(\$352,847)	(\$481,155)	(\$834,003)	(\$320,770)	(\$320,770)	(\$641,540)	(\$352,847)	(\$352,847)	(\$705,694)	(\$384,924)	(\$384,924)	(\$769,849)	(\$3,384,767)
Nursing Home Qtrly Supplemental Payment	(\$1,822,437)	(\$1,358,355)	(\$3,180,792)	(\$2,350,540)	(\$3,205,282)	(\$5,555,822)	(\$2,136,855)	(\$2,136,855)	(\$4,273,710)	(\$2,350,540)	(\$2,350,540)	(\$4,701,081)	(\$2,564,226)	(\$2,564,226)	(\$5,128,451)	(\$22,839,856)
Nursing Home Component 1 Payment	(\$52,755)	(\$66,080)	(\$118,835)	(\$107,642)	(\$146,784)	(\$254,426)	(\$97,856)	(\$97,856)	(\$195,713)	(\$107,642)	(\$107,642)	(\$215,284)	(\$117,428)	(\$117,428)	(\$234,855)	(\$1,019,113)
Cash Flow Timing Adjustment	\$52,755	\$66,080	\$118,835	\$107,642	\$146,784	\$254,426	\$97,856	\$97,856	\$195,713	\$107,642	\$107,642	\$215,284	\$117,428	\$117,428	\$234,855	\$1,019,113
Total Nursing Home Expenses	(\$2,039,509)	(\$1,574,964)	(\$3,614,473)	(\$2,703,387)	(\$3,686,437)	(\$6,389,825)	(\$2,457,625)	(\$2,457,625)	(\$4,915,250)	(\$2,703,387)	(\$2,703,387)	(\$5,406,775)	(\$2,949,150)	(\$2,949,150)	(\$5,898,300)	(\$26,224,623)
2) District Expenses			\$0													
Interest Expense	(\$504,147)	(\$354,435)	(\$858,583)	(\$633,357)	(\$741,110)	(\$1,374,467)	(\$575,779)	(\$453,398)	(\$1,029,177)	(\$633,357)	(\$510,798)	(\$1,144,155)	(\$690,935)	(\$568,298)	(\$1,259,233)	(\$5,665,615)
Professional Services	(\$649,800)	(\$649,800)	(\$1,299,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$7,290,000)
Total District Expenses	(\$1,153,947)	(\$1,004,235)	(\$2,158,183)	(\$1,382,157)	(\$1,489,910)	(\$2,872,067)	(\$1,324,579)	(\$1,202,198)	(\$2,526,777)	(\$1,382,157)	(\$1,259,598)	(\$2,641,755)	(\$1,439,735)	(\$1,317,098)	(\$2,756,833)	(\$12,955,615)
Total Expenses	(\$3,193,457)	(\$2,579,199)	(\$5,772,656)	(\$4,085,545)	(\$5,176,347)	(\$9,261,892)	(\$3,782,204)	(\$3,659,823)	(\$7,442,027)	(\$4,085,545)	(\$3,962,986)	(\$8,048,530)	(\$4,388,885)	(\$4,266,248)	(\$8,655,133)	(\$39,180,238)
Total Net Cash to District	\$885,562	\$570,728	\$1,456,290	\$1,321,230	\$2,196,528	\$3,517,758	\$1,133,046	\$1,255,427	\$2,388,473	\$1,321,230	\$1,443,789	\$2,765,020	\$1,509,415	\$1,632,052	\$3,141,467	\$13,269,008

EXISTING LOAN STRUCTURE COMPARISON STAGGERED-EXISTING LOAN MODEL



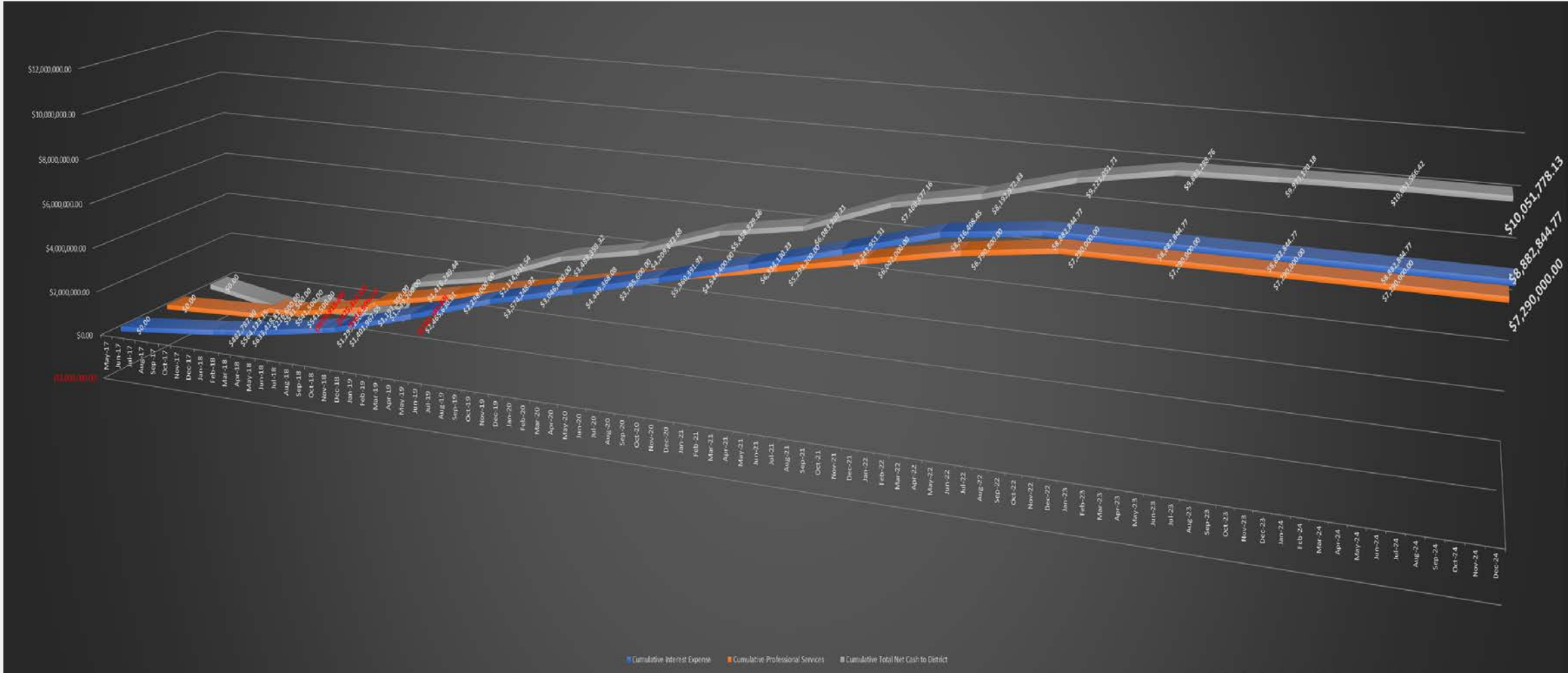
FIRST TWO YEAR COMPARISON STAGGERED EXISTING LOAN



SCENARIO 3-PROFIT/LOSS STAGGERED PROPOSED LOAN TERMS (\$3,217,230) DIFFERENCE

	Year 1			Year 2			Year 3			Year 4			Year 5			Grand Total Yr. 1-5
QIPP Summary by IGT	QIPP/IGT 1	QIPP/IGT 2	Year 1 Total	QIPP/IGT 3	QIPP/IGT 4	Year 2 Total	QIPP/IGT 5	QIPP/IGT 6	Year 3 Total	QIPP/IGT 7	QIPP/IGT 8	Year 4 Total	QIPP/IGT 9	QIPP/IGT 10	Year 4 Total	
Loan Received	\$4,775,587	\$4,765,392	\$9,540,979	\$7,762,639	\$10,585,417	\$18,348,056	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$74,464,871
110% IGT Out	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$7,762,639)	(\$10,585,417)	(\$18,348,056)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$74,464,871)
Total Component 1 Payments	\$4,775,587	\$4,765,392	\$9,540,979	\$7,762,639	\$10,585,417	\$18,348,056	\$7,056,945	\$7,056,945	\$14,113,890	\$7,762,639	\$7,762,639	\$15,525,279	\$8,468,334	\$8,468,334	\$16,936,667	\$74,464,871
Loan Repayment	(\$4,775,587)	(\$4,765,392)	(\$9,540,979)	(\$7,762,639)	(\$10,585,417)	(\$18,348,056)	(\$7,056,945)	(\$7,056,945)	(\$14,113,890)	(\$7,762,639)	(\$7,762,639)	(\$15,525,279)	(\$8,468,334)	(\$8,468,334)	(\$16,936,667)	(\$74,464,871)
IGT Reconciliation	\$434,144	\$433,217	\$867,362	\$705,694	\$962,311	\$1,668,005	\$641,540	\$641,540	\$1,283,081	\$705,694	\$705,694	\$1,411,389	\$769,849	\$769,849	\$1,539,697	\$6,769,534
Qtrly Supplemental Payment	\$3,644,874	\$2,716,710	\$6,361,584	\$4,701,081	\$6,410,564	\$11,111,645	\$4,273,710	\$4,273,710	\$8,547,419	\$4,701,081	\$4,701,081	\$9,402,161	\$5,128,451	\$5,128,451	\$10,256,903	\$45,679,712
Gross Revenue/Net Proceeds	\$4,079,019	\$3,149,927	\$7,228,946	\$5,406,775	\$7,372,875	\$12,779,650	\$4,915,250	\$4,915,250	\$9,830,500	\$5,406,775	\$5,406,775	\$10,813,550	\$5,898,300	\$5,898,300	\$11,796,600	\$52,449,246
Expenses																
1) Nursing Home Expenses																
Nursing Home IGT Reconciliation Payment	(\$217,072)	(\$216,609)	(\$433,681)	(\$352,847)	(\$481,155)	(\$834,003)	(\$320,770)	(\$320,770)	(\$641,540)	(\$352,847)	(\$352,847)	(\$705,694)	(\$384,924)	(\$384,924)	(\$769,849)	(\$3,384,767)
Nursing Home Qtrly Supplemental Payment	(\$1,822,437)	(\$1,358,355)	(\$3,180,792)	(\$2,350,540)	(\$3,205,282)	(\$5,555,822)	(\$2,136,855)	(\$2,136,855)	(\$4,273,710)	(\$2,350,540)	(\$2,350,540)	(\$4,701,081)	(\$2,564,226)	(\$2,564,226)	(\$5,128,451)	(\$22,839,856)
Nursing Home Component 1 Payment	(\$52,755)	(\$66,080)	(\$118,835)	(\$107,642)	(\$146,784)	(\$254,426)	(\$97,856)	(\$97,856)	(\$195,713)	(\$107,642)	(\$107,642)	(\$215,284)	(\$117,428)	(\$117,428)	(\$234,855)	(\$1,019,113)
Cash Flow Timing Adjustment	\$52,755	\$66,080	\$118,835	\$107,642	\$146,784	\$254,426	\$97,856	\$97,856	\$195,713	\$107,642	\$107,642	\$215,284	\$117,428	\$117,428	\$234,855	\$1,019,113
Total Nursing Home Expenses	(\$2,039,509)	(\$1,574,964)	(\$3,614,473)	(\$2,703,387)	(\$3,686,437)	(\$6,389,825)	(\$2,457,625)	(\$2,457,625)	(\$4,915,250)	(\$2,703,387)	(\$2,703,387)	(\$5,406,775)	(\$2,949,150)	(\$2,949,150)	(\$5,898,300)	(\$26,224,623)
2) District Expenses			\$0													
Interest Expense	(\$504,147)	(\$354,435)	(\$858,583)	(\$979,100)	(\$1,242,580)	(\$2,221,680)	(\$987,972)	(\$748,772)	(\$1,736,744)	(\$1,086,769)	(\$847,391)	(\$1,934,161)	(\$1,185,567)	(\$946,110)	(\$2,131,677)	(\$8,882,845)
Professional Services	(\$649,800)	(\$649,800)	(\$1,299,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$748,800)	(\$748,800)	(\$1,497,600)	(\$7,290,000)
Total District Expenses	(\$1,153,947)	(\$1,004,235)	(\$2,158,183)	(\$1,727,900)	(\$1,991,380)	(\$3,719,280)	(\$1,736,772)	(\$1,497,572)	(\$3,234,344)	(\$1,835,569)	(\$1,596,191)	(\$3,431,761)	(\$1,934,367)	(\$1,694,910)	(\$3,629,277)	(\$16,172,845)
Total Expenses	(\$3,193,457)	(\$2,579,199)	(\$5,772,656)	(\$4,431,287)	(\$5,677,818)	(\$10,109,105)	(\$4,194,397)	(\$3,955,197)	(\$8,149,594)	(\$4,538,957)	(\$4,299,579)	(\$8,838,536)	(\$4,883,517)	(\$4,644,060)	(\$9,527,577)	(\$42,397,468)
Total Net Cash to District	\$885,562	\$570,728	\$1,456,290	\$975,488	\$1,695,057	\$2,670,545	\$720,853	\$960,053	\$1,680,906	\$867,818	\$1,107,196	\$1,975,014	\$1,014,783	\$1,254,240	\$2,269,023	\$10,051,778

PROPOSED LOAN STRUCTURE COMPARISON STAGGERED-EXISTING LOAN MODEL



PROFESSIONAL SERVICES PAYMENT SCHEDULE

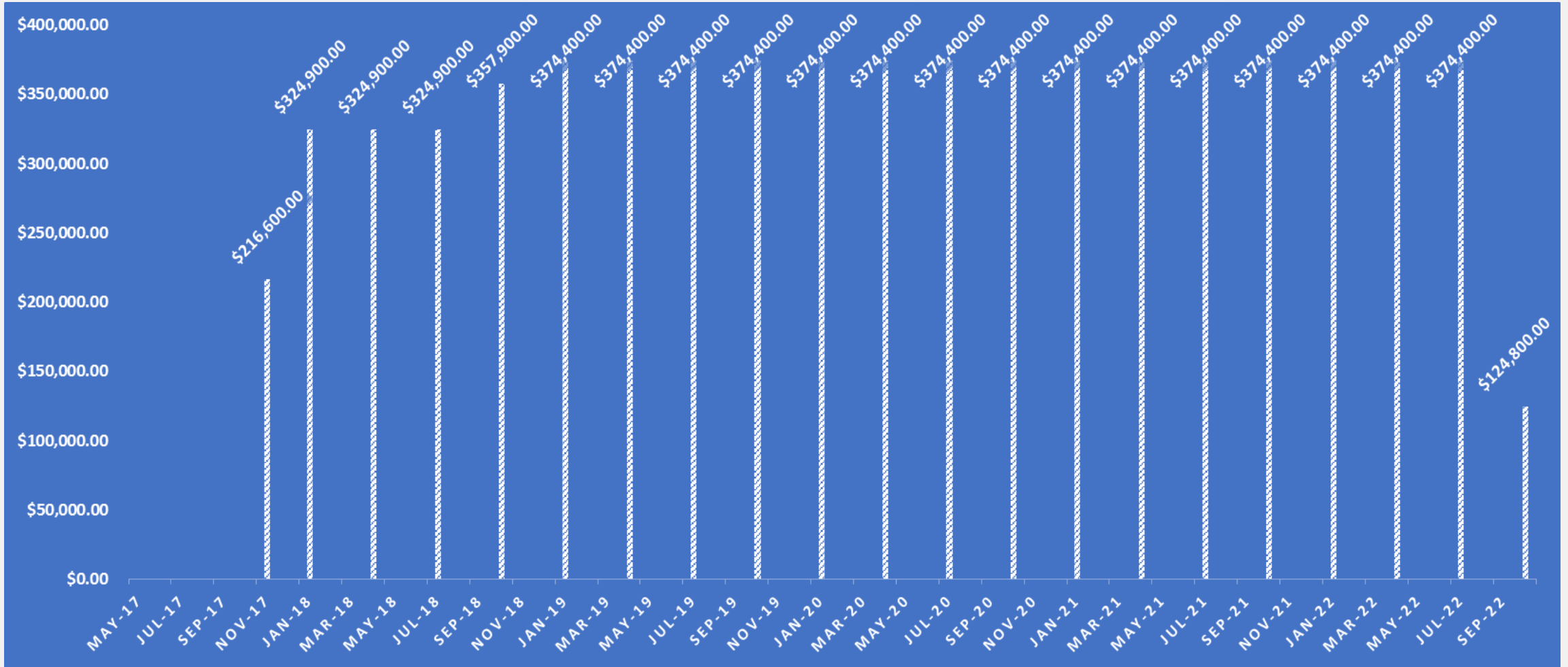


Exhibit “F-1”

Winnie-Stowell Hospital District
Balance Sheet
As of January 31, 2018

	Jan 31, 18
ASSETS	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	294,479.46
102 Prosperity Bank - CD#0447	104,952.88
104 Post Oak Bank - CD#9053	2,700,000.00
105 TexStar	660,934.50
106 Wells Fargo NHs Combined	363,102.03
107 Graham InterBank combined	
107.01a GIB 0228 DACA	2,174,973.96
Total 107 Graham InterBank combined	2,174,973.96
108 Post Oak NHs Combined	1,338,658.95
Total Checking/Savings	7,637,101.78
Total Current Assets	7,637,101.78
Fixed Assets	
120 Equipment	140,654.96
125 Accumulated Depreciation	-113,810.64
Total Fixed Assets	26,844.32
Other Assets	
110 Sales Tax Receivable	116,206.43
117 NH - QIPP Prog Receivable	2,044,914.05
118 Prepaid Expense	83,140.45
119 Prepaid IGT	5,561,320.00
Total Other Assets	7,805,580.93
TOTAL ASSETS	15,469,527.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
190 NH Payables Combined	1,888,573.26
190. NH Payable - Accruals	-2,662.52
201 NHP Accounts Payable	1,867,195.70
210.10 Loan Payable #10 QIPP 1	1,636,325.07
210.12 Loan Payable #12 QIPP	2,765,389.00
210.50 Loan Post Oak #2 QIPP	2,421,500.00
225 FUTA Tax Payable	97.43
230 SUTA Tax Payable	251.31
235 Payroll Liabilities	1,667.18
Total Other Current Liabilities	10,578,336.43
Total Current Liabilities	10,578,336.43
Total Liabilities	10,578,336.43
Equity	
300 Net Assets, Capital, net of	59,503.44
310 Net Assets-Unrestricted	5,165,680.85
Retained Earnings	-465,203.31
Net Income	131,209.62
Total Equity	4,891,190.60
TOTAL LIABILITIES & EQUITY	15,469,527.03

Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of January 31, 2018

Accrual Basis

	Jan - Dec 18	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	45,731.80	500,000.00	-454,268.20	9.1%
405 Investment Income	802.97	10,000.00	-9,197.03	8.0%
409 Tobacco Settlement	0.00	11,500.00	-11,500.00	0.0%
415 Nursing Home - QIPP Program	1,412,849.68	15,838,446.00	-14,425,596.32	8.9%
Total Income	1,459,384.45	16,359,946.00	-14,900,561.55	8.9%
Expense				
500 Admin-Administrative Salary	8,000.00	52,000.00	-44,000.00	15.4%
501 Admin-Security	0.00	1,200.00	-1,200.00	0.0%
504 Admin-Administrators PR Tax	759.13	4,500.00	-3,740.87	16.9%
505 Admin-Board Bonds	50.00	250.00	-200.00	20.0%
515 Admin-Bank Service Charges	30.00	360.00	-330.00	8.3%
521 Professional Fees - Acctng	5,750.00	12,000.00	-6,250.00	47.9%
522 Professional Fees-Auditing	0.00	50,000.00	-50,000.00	0.0%
523 Professional Fees - Legal	40,555.48	50,000.00	-9,444.52	81.1%
550 Admin-D&O / Liability Ins.	449.00	15,000.00	-14,551.00	3.0%
560 Admin-Cont Ed, Travel	0.00	5,000.00	-5,000.00	0.0%
561 Admin-Cont Ed-Medical Pers.	300.28	5,000.00	-4,699.72	6.0%
562 Admin-Travel&Mileage Reimb.	0.00	1,000.00	-1,000.00	0.0%
569 Admin-Meals	0.00	2,500.00	-2,500.00	0.0%
570 Admin-District/County Prom	0.00	5,000.00	-5,000.00	0.0%
571 Admin-Office Supplies/Post	1,154.79	3,600.00	-2,445.21	32.1%
572 Admin-Web Site	365.00	1,500.00	-1,135.00	24.3%
573 Admin-Copier Lease/Contract	225.15	1,800.00	-1,574.85	12.5%
575 Admin-Cell Phone Reimburse	300.00	1,800.00	-1,500.00	16.7%
576 Admin-Telephone/Internet	192.06	2,000.00	-1,807.94	9.6%
590 Admin-Election Cost	0.00	1,000.00	-1,000.00	0.0%
591 Admin-Notices & Fees	0.00	100.00	-100.00	0.0%
600 East Chambers ISD Partnersh	15,000.00	180,000.00	-165,000.00	8.3%
602 IC-WCH 1115 Waiver Prog	0.00	496,000.00	-496,000.00	0.0%
603a IC-Pharmaceutical Costs	15,326.18	79,000.00	-63,673.82	19.4%
604 IC-Non Hosp Cost-Other	0.00	10,000.00	-10,000.00	0.0%
604 IC-Non Hosp Costs UTMB	35,903.65	180,000.00	-144,096.35	19.9%
605 IC-Office Supplies/Postage	55.65	1,200.00	-1,144.35	4.6%
611 IC-Indigent Care Dir Salary	3,637.50	27,000.00	-23,362.50	13.5%
612 IC-Payroll Taxes -Ind Care	131.14	2,400.00	-2,268.86	5.5%
615 IC-Software	2,118.00	12,708.00	-10,590.00	16.7%
616 IC-Travel	596.16	550.00	46.16	108.4%
617 IC -Youth Counseling	0.00	30,000.00	-30,000.00	0.0%
630 NH Program-Mgt Fees	308,459.14	3,148,972.00	-2,840,512.86	9.8%
631 NH Program-IGT	795,931.40	9,540,501.00	-8,744,569.60	8.3%
633 NH Program-Acctg Fees	0.00	43,000.00	-43,000.00	0.0%
634 NH Program-Legal Fees	0.00	150,000.00	-150,000.00	0.0%
635 NH Program-LTC Fees	108,300.00	1,082,957.00	-974,657.00	10.0%
636 NH Program-Bonds	0.00	450.00	-450.00	0.0%
637 NH Program-Interest Expense	53,800.87	1,058,406.00	-1,004,605.13	5.1%
639 NH Program-Appraisal	0.00	23,594.00	-23,594.00	0.0%
653 Service Fee	0.00	100.00	-100.00	0.0%
Payroll Expenses	36.34			
Total Expense	1,397,426.92	16,282,448.00	-14,885,021.08	8.6%
Net Income	61,957.53	77,498.00	-15,540.47	79.9%

Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of December 31,2017

Accrual Basis

	Jan - Dec 17	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	504,962.61	500,000.00	4,962.61	101.0%
405 Investment Income	11,234.29	10,000.00	1,234.29	112.3%
409 Tobacco Settlement	11,538.30	11,500.00	38.30	100.3%
410 Other Revenue	85,950.00	85,500.00	450.00	100.5%
415 Nursing Home - QIPP Program	5,651,398.72	5,078,021.00	573,377.72	111.3%
Total Income	6,265,083.92	5,685,021.00	580,062.92	110.2%
Expense				
500 Admin-Administrative Salary	52,000.00	52,000.00	0.00	100.0%
501 Admin-Security	1,000.00	1,200.00	-200.00	83.3%
504 Admin-Administrators PR Tax	4,340.39	4,500.00	-159.61	96.5%
505 Admin-Board Bonds	250.00	200.00	50.00	125.0%
515 Admin-Bank Service Charges	240.00	360.00	-120.00	66.7%
521 Professional Fees - Acctng	26,250.00	30,000.00	-3,750.00	87.5%
522 Professional Fees-Auditing	69,682.80	95,000.00	-25,317.20	73.4%
523 Professional Fees - Legal	34,270.65	40,000.00	-5,729.35	85.7%
550 Admin-D&O / Liability Ins.	13,790.15	15,000.00	-1,209.85	91.9%
560 Admin-Cont Ed, Travel	4,598.04	5,000.00	-401.96	92.0%
561 Admin-Cont Ed-Medical Pers.	600.56	20,000.00	-19,399.44	3.0%
562 Admin-Travel&Mileage Reimb.	588.54	1,000.00	-411.46	58.9%
569 Admin-Meals	1,692.37	2,500.00	-807.63	67.7%
570 Admin-District/County Prom	75.68	500.00	-424.32	15.1%
571 Admin-Office Supplies/Post	2,000.37	3,600.00	-1,599.63	55.6%
572 Admin-Web Site	649.03	1,500.00	-850.97	43.3%
573 Admin-Copier Lease/Contract	2,070.31	2,000.00	70.31	103.5%
575 Admin-Cell Phone Reimburse	1,950.00	1,800.00	150.00	108.3%
576 Admin-Telephone/Internet	2,304.52	2,000.00	304.52	115.2%
591 Admin-Notices & Fees	60.49	100.00	-39.51	60.5%
600 East Chambers ISD Partnersh	180,000.00	180,000.00	0.00	100.0%
602 IC-WCH 1115 Waiver Prog	495,526.98	496,000.00	-473.02	99.9%
603a IC-Pharmaceutical Costs	76,259.93	79,000.00	-2,740.07	96.5%
604 IC-Non Hosp Cost-Other	8,760.09	10,000.00	-1,239.91	87.6%
604 IC-Non Hosp Costs UTMB	30,734.84	40,000.00	-9,265.16	76.8%
605 IC-Office Supplies/Postage	1,213.57	1,300.00	-86.43	93.4%
606 IC-Emergency Rm Pmt	82,094.25	85,000.00	-2,905.75	96.6%
607 IC-Non Hosp Costs-WSEMS	40,527.00	40,650.00	-123.00	99.7%
611 IC-Indigent Care Dir Salary	26,707.50	27,000.00	-292.50	98.9%
612 IC-Payroll Taxes -Ind Care	1,997.38	2,400.00	-402.62	83.2%
615 IC-Software	12,708.00	12,708.00	0.00	100.0%
616 IC-Travel	549.87	550.00	-0.13	100.0%
630 NH Program-Mgt Fees	1,233,836.56	947,150.00	286,686.56	130.3%
631 NH Program-IGT	3,183,725.60	3,183,725.00	0.60	100.0%
633 NH Program-Acctg Fees	0.00	25,000.00	-25,000.00	0.0%
634 NH Program-Legal Fees	194,200.36	250,000.00	-55,799.64	77.7%
635 NH Program-LTC Fees	433,200.00	433,200.00	0.00	100.0%

Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of December 31,2017

Accrual Basis

	Jan - Dec 17	Budget	\$ Over Budget	% of Budget
636 NH Program-Bonds	450.00	450.00	0.00	100.0%
637 NH Program-Interest Expense	577,523.89	535,000.00	42,523.89	107.9%
638 NH Program-Bank Fees & Misc	2,620.00	2,600.00	20.00	100.8%
639 NH Program-Appraisal	23,593.62	23,594.00	-0.38	100.0%
653 Service Fee	0.00	100.00	-100.00	0.0%
Total Expense	6,824,643.34	6,653,687.00	170,956.34	102.6%
Net Income	-559,559.42	-968,666.00	409,106.58	57.8%

Winnie-Stowell Hospital District
Open Invoices for Approval
As of February 21, 2018

Accrual Basis

Type	Date	Num	Name	Memo	Amount
200 Accounts Payable					
Bill	02/21/2018		American Education...	92 5529 5461 S. Stern	150.14
Bill	02/21/2018		Benckenstein & Oxf...	Inv 48872 (Sept 2017)	16,962.98
Bill	02/21/2018		Brookshire Brothers	IC Jan Rx's	8,056.18
Bill	02/21/2018		David Sticker	Inv 20055	3,156.25
Bill	02/21/2018		Function 4 Cotract (f...	Invs 600896 & 599911	186.91
Bill	02/21/2018		Hubert Oxford	1/2 Legal retainer	500.00
Bill	02/21/2018		Indigent Healthcare ...	Inv 65494	1,059.00
Bill	02/21/2018		Josh Heinz	1/2 Legal retainer	500.00
Bill	02/21/2018		JS Edwards	WC Policy 0001302975	449.00
Bill	02/21/2018		Lisa Rae Photo & W...	Inv 1105	365.00
Bill	02/21/2018		Post Oak Bank	Acct 790154	6,121.02
Bill	02/21/2018		Prosperity Bank (CC)	Inv Acct	1,107.16
Bill	02/21/2018		UTMB at Galveston	Batch date 1/31/18	18,840.76
Bill	02/21/2018		UTMB Faculty Grou...	Batch Date 1/31/18	4,368.74
Bill	02/21/2018		Wilcox Pharmacy	IC Jan Rx's	1,006.98
Total 200 Accounts Payable					62,830.12
TOTAL					62,830.12



2017 TAX INFO IS HERE! GET IT ONLINE AT AESSUCCESS.ORG/GETTAXINFO

RECEIVED
FEB 14 2018

03503703428001



February 4, 2018

MONTHLY BILL

Name: SHERRY STERN
Account Number: 92 5529 5461

Payment Summary	
Last Payment Received	01/29/2018
Current Payment Due	\$150.14
Total Due by 02/25/2018	\$150.14

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	\$6,779.94	\$4.17	3.750%	\$90.67	\$90.67
*1001	11/29/2006	UNCNS	\$8,625.28	\$4,446.75	\$2.74	3.750%	\$59.47	\$59.47

Outstanding interest accrued as of 02/04/2018

*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
03/11/2018	\$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	\$39.59
Principal Satisfied	\$110.55

As of today, you've paid on your loans	\$12,611.76
Total Interest Satisfied	\$4,135.00
Total Principal Satisfied	\$8,476.76

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

02/25/2018

\$

--	--	--	--	--	--	--	--	--	--

\$150.14

2018035019255295461100001501400000000000000009



AMERICAN EDUCATION SERVICES
PAYMENT CENTER
HARRISBURG PA 17130-0001



#BWNHKB
#B612 1327 2502 04L9#
SHERRY STERN
9302 EAGLES LNDG
MAGNOLIA TX 77354-6865

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300
Beaumont, TX 77706

February 20, 2018

INVOICE #: 48872 **HOIV**
Billed through: September 30, 2018
Client/Matter #: WSHD 87250

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

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

09/05/17	HOIV	Exchanged seven (7) e-mails with Gloria Roemer in order to respond to questions and provide documents she requested regarding the District's policies to be adopted at the upcoming September 6, 2017 Regular Meeting.	0.80 hrs
09/05/17	HOIV	Exchanged eight (8) e-mails with Riceland Hospital staff discussing the incoming Uncompensated Care payment and the amount of the payment compared to the maximum amount available.	0.60 hrs
09/05/17	HOIV	Exchanged eight (8) e-mails with District Audit and Genesis regarding missing information from Genesis.	0.60 hrs
09/05/17	HOIV	Drafted minutes for the July 26, 2017 Regular Meeting and August 17, 2017 Special Meeting; and assisted in preparation of Board packets in anticipation of September 6, 2017 Regular meeting.	6.00 hrs
09/06/17	HOIV	Prepared extensive responses to questioned posed by Board members and submitted to the Board for review regarding indigent care; the Winnie Community Hospital; and improvements made to the Winnie Community Hospital.	1.40 hrs
09/06/17	HOIV	Assisted staff in the preparation of Board meeting and responding to questions by Board member e-mails.	2.00 hrs
09/06/17	HOIV	Prepared for and attended August Regular Meeting that was held on September 6, 2017 in light of Hurricane Charlie.	3.00 hrs
09/07/17	HOIV	Prepared extensive e-mail to District CPA and Staff to clarify questions and changes to the financial report and upcoming budget amendments.	1.20 hrs
09/07/17	HOIV	Participated in multiple conference calls with Staff, Board Members, and LTC Group to discuss issues addressed the August 2017 Regular meeting that was held the day before.	1.60 hrs
09/07/17	HOIV	Exchanged five (5) e-mails to Genesis and Caring Healthcare requesting that their accounts be transferred to Post Oak Bank and responded to questions regarding the same.	0.80 hrs
09/07/17	HOIV	Drafted follow up e-mail to the Board and staff updating them on financial issues raised at the September 6, 2017 Regular Meeting and needed budget	1.60 hrs

amendments.

09/08/17	HOIV	Conference call with Genesis to discuss transferring accounts from Wells Fargo to Post Oak Bank.	0.70 hrs
09/08/17	HOIV	Prepared spreadsheet to analyze the impact of Hurricane Harvey on the District's future tax revenue.	1.30 hrs
09/08/17	HOIV	Read reviewed and exchanged four (4) e-mails with HMG and staff regarding the Next Generation ACO Participation Agreement.	0.80 hrs
09/11/17	HOIV	Researched Texas statute for non-profit status provisions that addressed the questions of whether Genesis could utilize the District's non-profit status; and exchanged four (4) e-mails with Genesis following conference call to advising them of research results and relevant sections of Texas Code regarding non-profit status.	2.30 hrs
09/11/17	HOIV	Participated in conference call with Genesis to discuss their request to claim non-profit status.	0.40 hrs
09/12/17	HOIV	Exchanged ten (10) e-mails with Genesis and Caring regarding utilizing District's non-profit status to offset sales taxes.	0.80 hrs
09/12/17	HOIV	Researched statutes on EMS services and scope of Hospital District to provide EMS services and drafted e-mail to the Board with findings.	1.60 hrs
09/13/17	HOIV	Met with David Sticker to review and make substantial revisions to the 2017 Budget in light of no MPAP 3 and progress on the Emergency Room; completed changes to budget following David Sticker meeting and e-mailed to staff and Director Stramecki.	5.50 hrs
09/14/17	HOIV	Extensive conference call with Bob Walker to discuss budgets, change orders, and cash flow for Emergency Room project.	1.50 hrs
09/14/17	HOIV	Revised Bob Walker's cash flow spreadsheet to account for budgets.	1.20 hrs
09/14/17	HOIV	Drafted extensive e-mail to Emergency Room Committee updating them on the phone call and made recommendations.	1.30 hrs
09/15/17	HOIV	Receipt and review e-mail from Ron Nichols, with the WSEMS, and the attached federal regulations for helipads and current requirements for helipads, to be considered by the District's Board.	0.60 hrs
09/15/17	HOIV	Exchanged thirteen e-mails with nursing home managers to establish a process for filing QAPI forms.	1.20 hrs
09/15/17	HOIV	Drafted minutes for September 6, 2017 Regular Meeting.	6.30 hrs
09/18/17	HOIV	Exchanged ten (10) emails and one (1) conference call with LTC Group and staff regarding method making QIPP payments by Managed Care Organizations.	1.20 hrs
09/18/17	HOIV	Exchanged four (4) e-mails with Bob Walker, Project Manager for Emergency Room, to discuss public construction contracts and rules regarding the assignment of the contracts.	0.70 hrs

09/19/17	HOIV	Review of Management Agreements and exchanged fifteen (15) e-mails with LTC Group, HMG, Genesis, and Caring Healthcare discussing protocol for QAPI form filings and responsibility for filing.	1.40 hrs
09/19/17	HOIV	Exchanged eight (8) e-mails with Sarah Cerone with Chambers County regarding upcoming potential CDBG grants for Hurricane Harvey and improvements to the Hospital.	0.80 hrs
09/19/17	HOIV	Exchanged multiple e-mails and conference calls with Ron Nichols, WSEMS, to determine the amount of funds being requested for ambulance repairs and to make sure the District had the necessary invoices.	0.70 hrs
09/19/17	HOIV	Finalized minutes and submitted to Board for review.	1.50 hrs
09/20/17	HOIV	Prepared for and attended regular monthly meeting.	3.00 hrs
09/20/17	HOIV	Exchanged six (6) e-mails with staff and Genesis regarding status of MPAP payment.	0.50 hrs
09/20/17	HOIV	Drafted extensive e-mail to staff and Emergency Room Project Manager, Bob Walker regarding agenda emergency room and potential funding opportunities with CDBG grants; and responded to five (5) e-mails regarding the same.	1.00 hrs
09/21/17	HOIV	Exchanged four (4) e-mails with staff and project manager regarding details of helipad and to clarify helipad was not included in Emergency Room project.	0.40 hrs
09/21/17	HOIV	Drafted agenda for September 27, 2017 Special Meeting.	0.40 hrs
09/22/17	HOIV	Received open record request from Gloria Roemer and prepared a tentative response for the Board	1.80 hrs
09/22/17	HOIV	Received information from Riceland Hospital regarding helipad at the Winnie Community Hospital and exchanged three (3) e-mails regarding the same.	0.40 hrs
09/22/17	HOIV	Exchanged eight (8) e-mails with Managers regarding the filing of QAPI reports.	0.70 hrs
09/25/17	HOIV	Received cost projections from Exchanged fourteen (14) with Emergency Room Project Manager	3.50 hrs
09/26/17	HOIV	Assisted with the preparation of Public Information request to WSEMS.	1.60 hrs
09/27/17	HOIV	Prepared for and attended Special Meeting.	1.50 hrs
09/28/17	HOIV	Exchanged twenty (20) emails and multiple conference calls in response to questions raised at the September 27, 2018 Special Meeting.	3.70 hrs
09/29/17	HOIV	Exchanged eight (8) e-mails with Post Oak Bank, Genesis, LTC Group, and staff to discuss the redirection of funds from Wells Fargo to Post Oak Bank.	0.70 hrs
09/29/17	HOIV	Drafted follow up e-mail to WSEMS regarding Open Record's request.	0.20 hrs
		Total fees for this matter	\$17,700.00

DISBURSEMENTS

12/18/17	Jasons Deli; Meeting Lunch	107.42
12/19/17	American Express; Invoice # Timevalue Software	149.00
09/30/18	Excess Postage	6.56
	Total disbursements for this matter	\$262.98

BILLING SUMMARY:

Oxford, IV Hubert	70.80 hrs @	\$250.00 /hr	\$17,700.00
TOTAL FEES			\$17,700.00
TOTAL DISBURSEMENTS			\$262.98
TOTAL CHARGES FOR THIS INVOICE			\$17,962.98
RETAINER			\$1,000.00 CR
TOTAL BALANCE NOW DUE			\$16,962.98

Federal ID# 74-1646478

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

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

February 20, 2017

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

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

Dear President Murrell,

Attached, please find a revised invoice for Benckenstein & Oxford, LLP for work performed in September of 2017. The invoice is for 17,962.98, not \$18,462.98; however, the amount owed is \$16,962.98 after considering the \$1,000.00 retainer that has previously been paid. The reason for the difference is due to a time entry that should not have been in the original invoice submitted earlier.

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

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 01/31/18-01/31/18

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

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	8,056.18
	Expenditures	8,056.18
	Reimb/Adjustments	0.00
	Grand Total	8,056.18

36 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2749*65460*32	WSHD	01/02/18	85.05	85.05	
036-2749*65460*32	WSHD	01/22/18	189.21	88.62	
036-2749*65460*32	WSHD	01/22/18	137.17	137.17	
036-2811*65460*28	WSHD	01/04/18	1,038.89	875.86	
036-2811*65460*28	WSHD	01/06/18	45.62	45.62	
036-2811*65460*28	WSHD	01/25/18	335.11	277.65	
036-2815*65460*7	WSHD	01/03/18	15.00	15.00	
036-2815*65460*7	WSHD	01/03/18	35.35	35.35	
036-2815*65460*7	WSHD	01/03/18	34.40	34.40	
036-2815*65460*7	WSHD	01/03/18	5.00	5.00	
036-2815*65460*7	WSHD	01/03/18	5.00	5.00	
036-2821*65460*11	WSHD	01/06/18	147.02	147.02	
036-2821*65460*11	WSHD	01/06/18	4.44	4.44	
036-2821*65460*11	WSHD	01/23/18	39.24	30.21	
036-2856*65460*16	WSHD	01/24/18	15.22	15.22	
036-3067*65460*8	WSHD	01/04/18	5.00	5.00	
036-3067*65460*8	WSHD	01/08/18	27.84	27.84	
036-3067*65460*8	WSHD	01/19/18	27.50	26.38	
036-3067*65460*8	WSHD	01/22/18	47.19	47.19	
036-3067*65460*8	WSHD	01/22/18	30.30	30.30	
036-3067*65460*8	WSHD	01/22/18	14.90	14.90	
036-3213*65460*5	WSHD	01/02/18	102.38	80.29	
036-3213*65460*5	WSHD	01/02/18	26.35	26.35	
036-3213*65460*5	WSHD	01/02/18	79.48	63.76	
036-3413*65460*25	WSHD	01/04/18	40.25	40.25	
036-3413*65460*25	WSHD	01/29/18	5.00	5.00	
036-3414*65460*7	WSHD	01/04/18	5.00	5.00	
036-3426*65460*31	WSHD	01/01/18	55.00	55.00	
036-3426*65460*31	WSHD	01/12/18	71.56	71.56	
036-3432*65460*24	WSHD	01/11/18	5.00	5.00	
036-3432*65460*24	WSHD	01/11/18	25.88	25.88	
036-3432*65460*24	WSHD	01/16/18	5.00	5.00	
036--3424*65460*20	WSHD	01/05/18	222.44	185.27	
036--3424*65460*20	WSHD	01/05/18	10.00	10.00	

GL Totals

Issued 02/18/18

Winnie Stowel Hospital District Indigent Healthcare Services

Batch Dates 01/31/18-01/31/18

Brookshire Bros. Phar. (winnie)

Vendor #: 65460

P.o. Box 1359

Winnie, TX 77665

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1011*65460*24	WSHD	01/03/18	929.48	786.26	
1011*65460*24	WSHD	01/03/18	114.28	114.28	
1011*65460*24	WSHD	01/03/18	32.29	32.29	
1014*65460*2	WSHD	01/09/18	33.29	33.29	
1014*65460*2	WSHD	01/09/18	27.50	26.38	
1019*65460*17	WSHD	01/02/18	80.40	53.78	
1019*65460*17	WSHD	01/02/18	5.00	5.00	
1019*65460*17	WSHD	01/02/18	56.96	56.96	
1019*65460*17	WSHD	01/02/18	5.00	5.00	
1019*65460*17	WSHD	01/30/18	5.00	5.00	
1023*65460*10	WSHD	01/02/18	5.00	5.00	
1023*65460*10	WSHD	01/15/18	26.35	26.35	
1023*65460*10	WSHD	01/15/18	13.98	13.98	
1023*65460*10	WSHD	01/30/18	44.55	44.55	
1023*65460*10	WSHD	01/30/18	5.00	5.00	
1024*65460*17	WSHD	01/29/18	12.54	12.54	
1024*65460*17	WSHD	01/09/18	20.71	20.71	
1024*65460*17	WSHD	01/09/18	5.00	5.00	
1024*65460*17	WSHD	01/09/18	27.50	26.38	
1024*65460*17	WSHD	01/19/18	5.44	5.44	
1024*65460*17	WSHD	01/19/18	27.50	26.38	
1024*65460*17	WSHD	01/23/18	27.05	27.05	
1030*65460*18	WSHD	01/25/18	24.75	24.75	
1030*65460*18	WSHD	01/23/18	94.97	94.97	
1030*65460*18	WSHD	01/23/18	51.09	51.09	
1038*65460*14	WSHD	01/11/18	68.13	68.13	
1038*65460*14	WSHD	01/03/18	46.89	46.89	
1038*65460*14	WSHD	01/11/18	1,617.22	1,367.44	
1042*65460*8	WSHD	01/08/18	484.67	484.67	
1042*65460*8	WSHD	01/08/18	31.69	31.69	
1042*65460*8	WSHD	01/08/18	30.96	30.96	
1043*65460*12	WSHD	01/31/18	7.50	7.50	
1043*65460*12	WSHD	01/05/18	26.19	26.19	
1043*65460*12	WSHD	01/05/18	5.00	5.00	
1043*65460*12	WSHD	01/08/18	10.00	10.00	
1043*65460*12	WSHD	01/31/18	10.00	10.00	
1044*65460*4	WSHD	01/24/18	26.35	26.35	
1044*65460*4	WSHD	01/24/18	20.71	20.71	
1044*65460*4	WSHD	01/24/18	10.90	10.90	
1044*65460*4	WSHD	01/24/18	10.00	10.00	
1046*65460*11	WSHD	01/02/18	33.77	33.77	
1046*65460*11	WSHD	01/03/18	13.02	13.02	
1046*65460*11	WSHD	01/03/18	10.00	10.00	
1046*65460*11	WSHD	01/02/18	5.00	5.00	
1046*65460*11	WSHD	01/02/18	38.00	19.83	
1046*65460*11	WSHD	01/02/18	25.88	25.88	
1046*65460*11	WSHD	01/02/18	11.00	11.00	

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 01/31/18-01/31/18

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

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1049*65460*10	WSHD	01/19/18	5.00	5.00	
1049*65460*10	WSHD	01/03/18	5.00	5.00	
1049*65460*10	WSHD	01/04/18	85.08	85.08	
1049*65460*10	WSHD	01/30/18	12.00	12.00	
1049*65460*10	WSHD	01/04/18	38.41	38.41	
1051*65460*5	WSHD	01/10/18	343.71	288.35	
1051*65460*5	WSHD	01/10/18	484.67	484.67	
1051*65460*5	WSHD	01/10/18	5.00	5.00	
1054*65460*9	WSHD	01/03/18	5.00	5.00	
1054*65460*9	WSHD	01/29/18	15.00	15.00	
1063*65460*7	WSHD	01/29/18	25.88	25.88	
1065*65460*3	WSHD	01/11/18	6.99	6.99	
1065*65460*3	WSHD	01/30/18	27.50	26.38	
1065*65460*3	WSHD	01/30/18	45.46	45.46	
1065*65460*3	WSHD	01/22/18	5.00	5.00	
1068*65460*4	WSHD	01/02/18	20.80	20.80	
1068*65460*4	WSHD	01/09/18	20.80	20.80	
1068*65460*4	WSHD	01/03/18	138.76	138.76	
1071*65460*1	WSHD	01/02/18	26.35	26.35	
1071*65460*1	WSHD	01/02/18	13.75	13.75	
1072*65460*4	WSHD	01/05/18	79.48	63.76	
1072*65460*4	WSHD	01/05/18	6.57	6.57	
1072*65460*4	WSHD	01/05/18	54.14	54.14	
1072*65460*4	WSHD	01/05/18	10.25	10.25	
1079*65460*4	WSHD	01/29/18	51.22	51.22	
1079*65460*4	WSHD	01/03/18	51.22	51.22	
1079*65460*4	WSHD	01/15/18	8.88	8.88	
1082*65460*3	WSHD	01/26/18	15.00	15.00	
1082*65460*3	WSHD	01/09/18	5.00	5.00	
1083*65460*1	WSHD	01/30/18	50.00	50.00	
1083*65460*1	WSHD	01/10/18	15.00	15.00	
1085*65460*1	WSHD	01/30/18	5.00	5.00	
J392*65460*1	WSHD	01/17/18	5.00	5.00	
J392*65460*1	WSHD	01/18/18	9.28	9.28	
J392*65460*1	WSHD	01/17/18	5.00	5.00	
J392*65460*1	WSHD	01/11/18	45.41	45.41	
J392*65460*1	WSHD	01/17/18	10.00	10.00	
J392*65460*1	WSHD	01/11/18	72.50	57.83	
	***		8,990.41	8,056.18	
	***		8,990.41	8,056.18	

119 records listed
36 total invoices

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

02/19/2018

Invoice # 20055

Professional Services

	<u>Amount</u>
02/19/18 1-23-18 Review and rearch various balances with auditor and answer auditor questions regarding nursing home liabilities. Review payroll and approve. 2.75 Hrs.	3,156.25
1-24-18 Review books & make adjustments. Review balances and reconciliations. 3.00 Hrs.	
1-24-18 Run reports for meeting. Review various e-mails. 1.50 Hrs	
1-24-18 Attend meeting and make additional adjustments after meeting. 4.00 Hrs.	
2-7-18 Discuss and review payroll. Review various payroll issues. 1.50 Hrs.	
2-12-18 Review deficiencies in Audit and discuss with Hubert Oxford and auditor, Tommy Davis. Discuss items needed to solve these deficiancies. 3.25 Hrs.	
2-13-18 Make near final adjustments to year end books and review. Verify budget. Analyse Nursing Home Revenue (QIPP) and projections. Discuss various loan options. 4.25 Hrs.	
2-13-18 Travel to Winnie and work on books. 2.00 Hrs	
2-14-18 Meet w/Hubert and review audit report and multiple issues. 3.00 Hrs.	

Amount

TOTAL HRS 25.25 @ \$125.00 = \$3,156.25

For professional services rendered

\$3,156.25

Balance due

\$3,156.25

Invoices Due Upon Receipt



CONTRACT INVOICE

Invoice Number: INV600896
 Invoice Date: 02/19/2018

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	03/21/2018	\$46.96	\$46.96	
Invoice Remarks					
Contract Number	Contact	Contract Amount	P.O. Number	Start Date	Exp. Date
4457-01		\$46.96		01/26/2016	01/25/2021
Contract Remarks					

Summary:

Contract base rate charge for this billing period	\$0.00
Contract overage charge for the 01/26/2018 to 02/25/2018 overage period	\$46.96 **
	\$46.96

**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	62,687	66,218		3,531	0	3,531	\$0.013300	\$46.96
									\$46.96

Please include invoice number on check.

Remit Payment To:
 Function 4, LLC
 12560 Reed Rd, Ste 200
 Sugar Land, TX 77478

Invoice SubTotal	\$46.96
Tax:	\$0.00
Invoice Total	\$46.96
Balance Due:	\$46.96



INVOICE

Invoice No: INV599911

Date: 2/14/2018

Account No: 3A0064

Bill To: Winnie - Stowell Hospital District
 PO Box 1997

 Winnie, TX 77665

Ship To: Winnie - Stowell Hospital District
 Attn: Sherrie Norris
 538 Broadway
 Winnie, TX 77665

Sales Order No	P. O. Number	Ship Method	Payment Terms	Payment Due					
S082422		OT	Net 30	3/16/2018					
Remarks				Sales Person					
Winnie-Stowell Hospital District - go to front first. They will direct you to the little building in the back and to the right of the hospital.				Brian Wolfe					
Item No	Description	Serial No	Order	Ship	BkO	UM	Price	Disc	Amount
5008	8.5 X 11 Copy Paper - 20lb White		5.0	5.0	0.0	CASE	\$27.99		\$139.95

Please include invoice number on check.

Remit Payment To:
 Function 4, LLC
 12560 Reed Rd, Ste 200
 Sugar Land, TX 77478

Subtotal	\$139.95
Discount	\$0.00
Freight	\$0.00
Sales Tax	\$0.00
Invoice Total	\$139.95
Balance Due	\$139.95

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

February 14, 2018

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

Re: Invoice and Draft Minutes for January 24, 2018 Regular Meeting and the January 30, 2018 Special Meeting; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft Minutes for January 24, 2018 Regular Meeting and the January 30, 2018 Special Meeting. Also attached are the Minutes from the Special Meeting on January 30, 2018. 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 January 2018. We would request that you put this invoice in line for payment at the February 21, 2018 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

Phone # (800) 834-0560
Fax # (936) 756-6741

RECEIVED
FEB - 6 2018

Invoice # 65494

Date: 2/1/2018

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

Terms: Net receipt of invoice

Professional services for the month of March 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

**J.S. Edwards
&
Sherlock**
INSURANCE AGENCY

RECEIVED
FEB - 8 2018

P. O. Box 22237, Beaumont, TX 77720
409-832-7736
409-833-1721 Fax
4155 Phelan Blvd, Beaumont, TX 77707

-----INVOICE-----

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

Client Code
WINSTO

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT

EFFECTIVE DATE	EXPIRATION DATE	COVERAGE DESCRIPTION	TRANSACTION AMOUNT
----------------	-----------------	----------------------	--------------------

03/12/2018	03/12/2019	Workers Compensation Policy#0001302975	\$449.00
------------	------------	---	----------

TOTAL DUE **\$449.00**

Please Make the Check Payable to J. S. EDWARDS & SHERLOCK INSURANCE AGENCY

PREMIUMS DUE AND PAYABLE ON OR BEFORE EFFECTIVE DATE

Lisa Rae Photo & Web Services
PO Box 159
Winnie, TX 77665
(409)267-9985
lisa@stramecki.com
www.lisaraephoto.com



INVOICE

BILL TO

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

INVOICE # 1105

DATE 02/20/2018

DUE DATE 02/20/2018

ACTIVITY	DATE	QTY	RATE	AMOUNT
Web Services Office meeting/training	08/25/2017	2	25.00	50.00
Web Services Hosting fees for 2018 - Monthly fee for hosting of website - renews hosting through December 31, 2018	01/01/2018	12	20.00	240.00
Web Services 2017/2018 Updates as of 2/20/2018 - Bio for Yani - Add policies - Add youth counseling information	02/20/2018	3	25.00	75.00

Please make checks payable to Lisa Rae Photo or Lisa Stramecki. Mail to
PO Box 159 Winnie Texas 77665.

BALANCE DUE

\$365.00

LOAN BILLING NOTICE



Post Oak Bank - Beaumont
 55 IH-10 NORTH
 Beaumont, TX 77707

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

STATEMENT DATE 2/15/18

ACCOUNT NUMBER	DUE DATE	INTEREST RATE
790154 20	3/07/18	3.25000%
PRINCIPAL AMOUNT DUE		
INTEREST AMOUNT DUE		6121.02
OTHER CHARGES		
PAST DUE		
TOTAL AMOUNT DUE		6121.02

009

Beaumont

PLEASE RETURN THIS NOTICE WITH PAYMENT.

COMMERCIAL LOANS 2/15/18
 Acct No 790154 Beaumont Branch 009
 Beginning Balance 2421500.00 Ending Balance 2421500.00
 Interest Paid YTD 13553.69

----- Current Period Transactions -----
 Eff Date Description Principal Escrow
Interest Other
 1/30/18 REGULAR PAYMENT .00 .00
6776.83 .00

----- End of Statement -----



RECEIVED

WINNIE STOWELL HOSPITAL

FEB - 6 2018

Account Number: XXXX XXXX XXXX 2704

ACCOUNT SUMMARY

Credit Limit	\$10,000.00
Credit Available	\$8,892.00
Statement Closing Date	January 31, 2018
Days in Billing Cycle	31
Previous Balance	\$83.00
- Payments & Credits	\$83.00
+ Purchases & Other Charges	\$1,107.16
+ Cash Advances	\$0.00
+ Finance Charges	\$0.00
= New Balance	\$1,107.16

PAYMENT INFORMATION

New Balance	\$1,107.16
Minimum Payment Due	\$56.00
Payment Due Date	February 25, 2018

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
			TOTAL 4054692000142704 \$83.00-	
01/29	01/29	7421703DDEHNF3SV3	PAYMENT- MAIL THANK YOU ABILENE TX	83.00-
		SHERRIE NORRIS	TOTAL 4054692000142720 \$1,107.16	
01/01	01/01	2469216QH2XZFZ3KL	GOOGLE *SVCSAPPS_wshd- cc@google.com CA <i>OFFICE</i>	21.08
			MCC: 7311 MERCHANT ZIP: 94043	
01/05	01/05	2461043QN03PP2MD2	ADOBE *ACROPRO SUBS 800-833-6687 CA <i>OFFICE</i>	16.21
			MCC: 5734 MERCHANT ZIP: 95110	
01/09	01/09	2443106QSLKYV8212	CROWNE PLAZA HOTEL AUSTI AUSTIN TX <i>IC TRAVEL-Training</i>	146.98
			MCC: 3750 MERCHANT ZIP: 78752	
			LODGING CHECK-IN DATE: 01/25/18	
01/12	01/12	2469216QW2XVRL1KF	NNA SERVICES LLC 800-876-6827 CA <i>NOTARY RENEWAL (SN)</i>	224.00
			MCC: 7399 MERCHANT ZIP: 91311	
01/13	01/13	2469216QX2XQGS0WE	NNA SERVICES LLC 800-876-6827 CA <i>NOTARY RENEWAL (SN)</i>	165.00

Transactions continued on next page

1031 0001 VVG 002 7 31 180131 0 PAGE 1 of 2 10 3191 2000 CORP 713

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	February 25, 2018
New Balance	\$1,107.16
Minimum Payment Due	\$56.00
Past Due Amount	\$0.00

Make Check Payable to:

Amount Enclosed:

\$

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

713

PROSPERITY BANK
 PO BOX 660525
 DALLAS TX 75266-0525



405469200014270400005600001107162

TRANSACTIONS (continued)

Tran Date	Post Date	Reference Number	Transaction Description	Amount
01/18	01/18	2444500D300D1JLL5	MCC: 7399 MERCHANT ZIP: 91311 USPS PO 4898150665 WINNIE TX	55.65
01/29	01/29	2416407DD0H334JLN	MCC: 9402 MERCHANT ZIP: 77665 ENTERPRISE RENT-A-CAR BEAUMONT TX	449.21
01/29	01/29	2444500DE00D8SLMQ	MCC: 3405 MERCHANT ZIP: 77701 AUTO RENTAL DATE: 01/30/18 USPS PO 4898150665 WINNIE TX	24.70
01/30	01/30	2469216DE2XLSR4TJ	MCC: 9402 MERCHANT ZIP: 77665 Intuit *PayrollEE usag 800-446-8848 CA MCC: 5734 MERCHANT ZIP: 92129	4.33

IC STAMPS
IC TRAVE L TRAINING
Postage overnight
Payroll

IMPORTANT ACCOUNT INFORMATION

To view your statement or make payments online, visit www.prosperitybankusa.com.
Don't forget to update your automated payment plans. Merchants will need your new card number and expiration date.

IMPORTANT NOTICE FOR AUTOMATIC, INTERNET, OR PHONE ACH PAYMENTS:
Your payment may be reduced by any credit adjustments or payments made since your last statement.
TOTAL *FINANCE CHARGE* PAID IN 2017 \$12.97

INTEREST CHARGE CALCULATION

Your Annual Percentage Rate (APR) is the annual interest rate on your account

Type of Balance	ANNUAL PERCENTAGE RATE (APR)	Balance Subject to Interest Rate	Days in Billing Cycle	Interest Charge
Purchases	9.90% (f)	\$0.00	31	\$0.00
Cash Advances	9.90% (f)	\$0.00	31	\$0.00

(v) = variable (f) = fixed

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 01/31/18-01/31/18

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

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	18,840.76
	Expenditures	18,840.76
	Reimb/Adjustments	0.00
	Grand Total	18,840.76

9 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1040*63614*3	WSHD	11/30/17	323.00	77.52	
1040*63614*3	WSHD	11/29/17	1,021.00	245.04	
1040*63614*3	WSHD	12/22/17	33,787.08	8,108.89	
1061*63614*1	WSHD	12/21/17	390.00	93.60	
1070*63614*2	WSHD	12/20/17	1,020.00	244.80	
1073*63614*2	WSHD	11/15/17	39,685.15	9,524.43	
1073*63614*2	WSHD	11/30/17	291.00	69.84	
1074*63614*4	WSHD	12/18/17	626.00	150.24	
1076*63614*2	WSHD	11/27/17	323.00	77.52	
1078*63614*3	WSHD	12/07/17	323.00	77.52	
1079*63614*1	WSHD	12/14/17	391.00	93.84	
1082*63614*2	WSHD	12/11/17	323.00	77.52	
	***		78,503.23	18,840.76	
	***		78,503.23	18,840.76	

12 records listed.

9 total invoices

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 01/31/18-01/31/18

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

Vendor #: 63615
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	4,368.74
	Expenditures	4,368.74
	Reimb/Adjustments	0.00
	Grand Total	4,368.74

9 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
1040*63615*3	WSHD	12/22/17	410.00	114.80	
1040*63615*3	WSHD	11/30/17	270.00	56.08	
1040*63615*3	WSHD	12/22/17	1,680.00	1,155.00	
1040*63615*3	WSHD	11/29/17	140.00	51.96	
1040*63615*3	WSHD	12/22/17	714.00	199.92	
1040*63615*3	WSHD	12/22/17	2,300.00	644.00	
1040*63615*3	WSHD	12/22/17	1,610.00	450.80	
1040*63615*3	WSHD	12/22/17	1,046.00	292.88	
1040*63615*3	WSHD	12/22/17	2,550.00	714.00	
1040*63615*3	WSHD	12/22/17	1,006.00	281.68	
1061*63615*1	WSHD	12/21/17	273.00	76.44	
1070*63615*2	WSHD	12/20/17	415.00	95.54	
1073*63615*3	WSHD	12/28/17	23.00	8.02	
1074*63615*4	WSHD	12/18/17	23.00	7.70	
1076*63615*2	WSHD	11/27/17	183.00	39.92	
1078*63615*3	WSHD	12/07/17	270.00	56.08	
1079*63615*1	WSHD	12/14/17	188.00	48.32	
1082*63615*2	WSHD	12/11/17	270.00	75.60	
	***		13,371.00	4,368.74	
	***		13,371.00	4,368.74	

18 records listed.

9 total invoices

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 01/31/18-01/31/18

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

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,006.98
Expenditures		1,006.98
Reimb/Adjustments		0.00
Grand Total		1,006.98

7 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid	Posted
036-2783*18651*80	WSHD	01/31/18	95.69	46.26	
036-2783*18651*80	WSHD	01/26/18	81.87	39.84	
036-2783*18651*80	WSHD	01/26/18	177.06	97.18	
036-2833*18651*96	WSHD	01/05/18	373.81	175.02	
036-2942*18651*78	WSHD	01/18/18	43.09	21.42	
036-2942*18651*78	WSHD	01/16/18	387.68	306.35	
036-2942*18651*78	WSHD	01/18/18	29.75	29.75	
036-3364*18651*47	WSHD	01/17/18	22.85	22.85	
036-3364*18651*47	WSHD	01/17/18	23.62	12.76	
036-3364*18651*47	WSHD	01/17/18	20.00	20.00	
036-3364*18651*47	WSHD	01/17/18	24.00	24.00	
036-3364*18651*47	WSHD	01/17/18	54.86	54.86	
1008*18651*15	WSHD	01/23/18	44.74	22.20	
1040*18651*12	WSHD	01/09/18	27.67	19.81	
1040*18651*12	WSHD	01/19/18	29.84	29.84	
1040*18651*12	WSHD	01/09/18	43.71	43.71	
1060*18651*4	WSHD	01/04/18	75.60	36.94	
1060*18651*4	WSHD	01/04/18	9.77	4.19	
***			1,565.61	1,006.98	
***			1,565.61	1,006.98	

18 records listed.

7 total invoices

From: Edwards, Rick
To: [Hubert Oxford IV](#); [Sherrie Norris](#)
Cc: Josh.Rodriguez@wellsfargo.com; murrelledward@yahoo.com; anthony@stramecki.com; [David Sticker \(davidbsticker@gmail.com\)](mailto:David.Sticker@davidbsticker@gmail.com)
Subject: RE: Genesis Accounts and Sweep Account
Date: Tuesday, February 20, 2018 6:00:46 PM
Attachments: [image001.png](#)
[image002.png](#)

I agree.

Rick

Rick Edwards
Genesis Treasury Department
T: 610-925-1048; F: 610-347-4516
Rick.edwards@genesishcc.com

From: Hubert Oxford IV [mailto:hoxfordiv@benoxford.com]
Sent: Tuesday, February 20, 2018 5:30 PM
To: Sherrie Norris <sherrie@wshd-tx.com>; Edwards, Rick <Rick.Edwards@GenesisHCC.com>
Cc: Josh.Rodriguez@wellsfargo.com; murrelledward@yahoo.com; anthony@stramecki.com; David Sticker (davidbsticker@gmail.com) <davidbsticker@gmail.com>
Subject: RE: Genesis Accounts and Sweep Account

Rick,

Sherrie was concerned that in my initial ask, I did not include the two non-DAISA or DACA accounts for Clairmont and the Woodlands (i.e., their original accounts). I told her it was fine to close these as well but just to make sure the DACA and DAISA for Clairmont and the Woodlands was left open.

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: Sherrie Norris [<mailto:sherrie@wshd-tx.com>]
Sent: Tuesday, February 20, 2018 3:22 PM
To: Hubert Oxford IV <hoxfordiv@benoxford.com>
Cc: Josh.Rodriguez@wellsfargo.com; Edwards, Rick (Rick.Edwards@GenesisHCC.com) <Rick.Edwards@genesishcc.com>; murrelledward@yahoo.com; anthony@stramecki.com; David Sticker (davidbsticker@gmail.com) <davidbsticker@gmail.com>
Subject: Re: Genesis Accounts and Sweep Account

Please see attached--2 accounts are not mentioned, they are highlighted in yellow??? These two accounts also Sweep into the Sweep account.

9502 Clairmont
7133 The Woodlands

Thank you
Sherrie Norris
WSHD Administrator
409-296-1003 office
409-201-3922 cell

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On Mon, Feb 19, 2018 at 11:25 AM, Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

Sherrie and Josh,

I just received confirmation from Genesis, through Rick Edwards, that it is ok if we close their remaining four (4) accounts and the "Sweep" account. The accounts are as follows:

Genesis Healthcare	
Hallettsville	9494
Monument Hill	9452
Oak Manor	3691
Oakland Manor	9437
Sweep Account	7180

Once this is done, we should only have the following accounts open at Wells Fargo:

Wells Fargo Account Information		
Nursing Home	Gov. Rec. Account	Commercial Account
Genesis Healthcare		
Clairmont Beaumont	1497	8106
The Woodlands	1489	8098

If there is any problems or questions, please let me know.

Sincerely,

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: Charice Finch
To: [Hubert Oxford IV](#)
Cc: [David B. Smith](#)
Subject: Re: Update
Date: Tuesday, February 20, 2018 11:37:31 AM

yes - I sent you an email yesterday telling you that we had received what we needed. Did you not get it? We have the YTD numbers for Profit and Loss and 12/31/17 AR balances for all the nursing facilities. This is what I need to give information to David Sticker. Sarah is working on putting it all in the format that Tommy likes. I am working on making sure I can give David accurate AP and AR for the QIPP (to check his numbers against).

Once I have the information summarized and and entry ready, I will send to David Sticker and copy you and Sherrie on the email.

Thanks,
Charice

On Tue, Feb 20, 2018 at 11:07 AM, Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

Do you have an update for me to confirm receipt of all the requested nursing home information for 2017?

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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--

Charice

Charice Finch / Director of LTC Finance / **NewLight Healthcare** / 3267 Bee Caves Road, Ste 517 / Austin, TX 78746

Phone 512-589-2210

LTC Group, LLC

3267 Bee Caves Road
 Suite 107-517
 Austin, TX 78746

Invoice

Date	Invoice #
12/1/2017	1210

Bill To
Winnie-Stowell Hospital District PO Box 1997 Winnie, TX 77662

Terms	Due Date
Due on receipt	12/1/2017

Quantity	Item Code	Description	Price Each	Amount
1	Fee for Service	Dec 2017 - Clairmont Beaumont	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Garrison Nursing Home	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Golden Villa	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Hallettsville Rehab & Nursing	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Highland Park Care Center	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Marshall Manor Nursing & Rehab	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Marshall Manor West	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Monument Hill Rehab	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Oak Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Oakland Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Conroe	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Cyfair	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Cypress Station	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Humble	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Quail Valley	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Park Manor Westchase	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Rose Haven Retreat	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - Spring Branch	5,700.00	5,700.00
1	Fee for Service	Dec 2017 - The Woodlands Healthcare Center	5,700.00	5,700.00
			Total	\$108,300.00

LTC Group, LLC

3267 Bee Caves Road
 Suite 107-517
 Austin, TX 78746

Invoice

Date	Invoice #
1/1/2018	1216

Bill To
Winnie-Stowell Hospital District PO Box 1997 Winnie, TX 77662

Terms	Due Date
Due on receipt	1/1/2018

Quantity	Item Code	Description	Price Each	Amount
1	Fee for Service	Jan 2018 - Clairmont Beaumont	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Garrison Nursing Home	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Golden Villa	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Hallettsville Rehab & Nursing	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Highland Park Care Center	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Marshall Manor Nursing & Rehab	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Marshall Manor West	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Monument Hill Rehab	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Oak Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Oakland Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Conroe	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Cyfair	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Cypress Station	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Humble	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Quail Valley	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Park Manor Westchase	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Rose Haven Retreat	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - Spring Branch	5,700.00	5,700.00
1	Fee for Service	Jan 2018 - The Woodlands Healthcare Center	5,700.00	5,700.00
			Total	\$108,300.00

LTC Group, LLC

3267 Bee Caves Road
 Suite 107-517
 Austin, TX 78746

Invoice

Date	Invoice #
11/30/2017	1209

Bill To
Winnie-Stowell Hospital District PO Box 1997 Winnie, TX 77662

Terms	Due Date
Due on receipt	11/30/2017

Quantity	Item Code	Description	Price Each	Amount
1	Fee for Service	Nov 2017 - Clairmont Beaumont	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Garrison Nursing Home	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Golden Villa	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Hallettsville Rehab & Nursing	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Highland Park Care Center	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Marshall Manor Nursing & Rehab	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Marshall Manor West	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Monument Hill Rehab	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Oak Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Oakland Manor Nursing Center	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Conroe	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Cyfair	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Cypress Station	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Humble	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Quail Valley	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Park Manor Westchase	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Rose Haven Retreat	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - Spring Branch	5,700.00	5,700.00
1	Fee for Service	Nov 2017 - The Woodlands Healthcare Center	5,700.00	5,700.00
			Total	\$108,300.00

Exhibit “F-2”

Hubert Oxford IV

From: Hubert Oxford IV
Sent: Thursday, February 08, 2018 8:54 AM
To: Sherrie Norris; 'murrelledward@yahoo.com'; 'anthony@stramecki.com'; David Sticker (davidbsticker@gmail.com); Yani Jimenez <yjimenez@wshd-tx.com> (yjimenez@wshd-tx.com)
Subject: LTC Payments

Besides beating back Rusty the lender all week, I have also been working with LTC Group to arrange for payments. Please note, the assumptions in the following payment charts assume their numbers but are not contractual in any way. The goal is to establish consistent payment dates and amounts so that Sherrie will know when to pay and how much plus it will help LTC with their cash flow models. Right now, I suggesting that we make three months of payments out of our QIPP 2, 3 and Lapsing funds we recently received. Please review and let me know your thoughts. We can also discuss during tomorrow' call.

(409) 951-4721 Direct

(409) 351-0000 Cell

(409) 833-8819 Fax

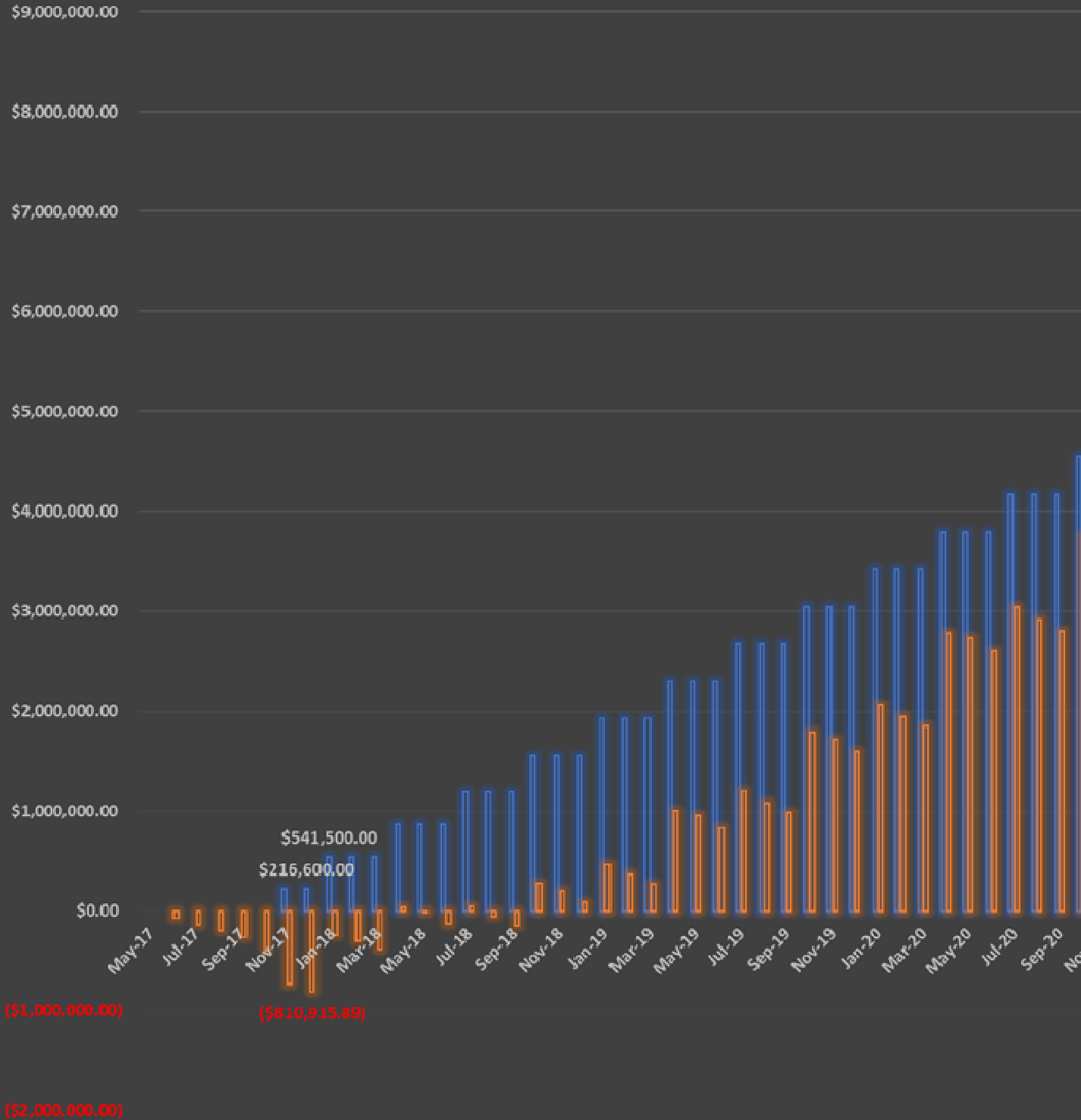
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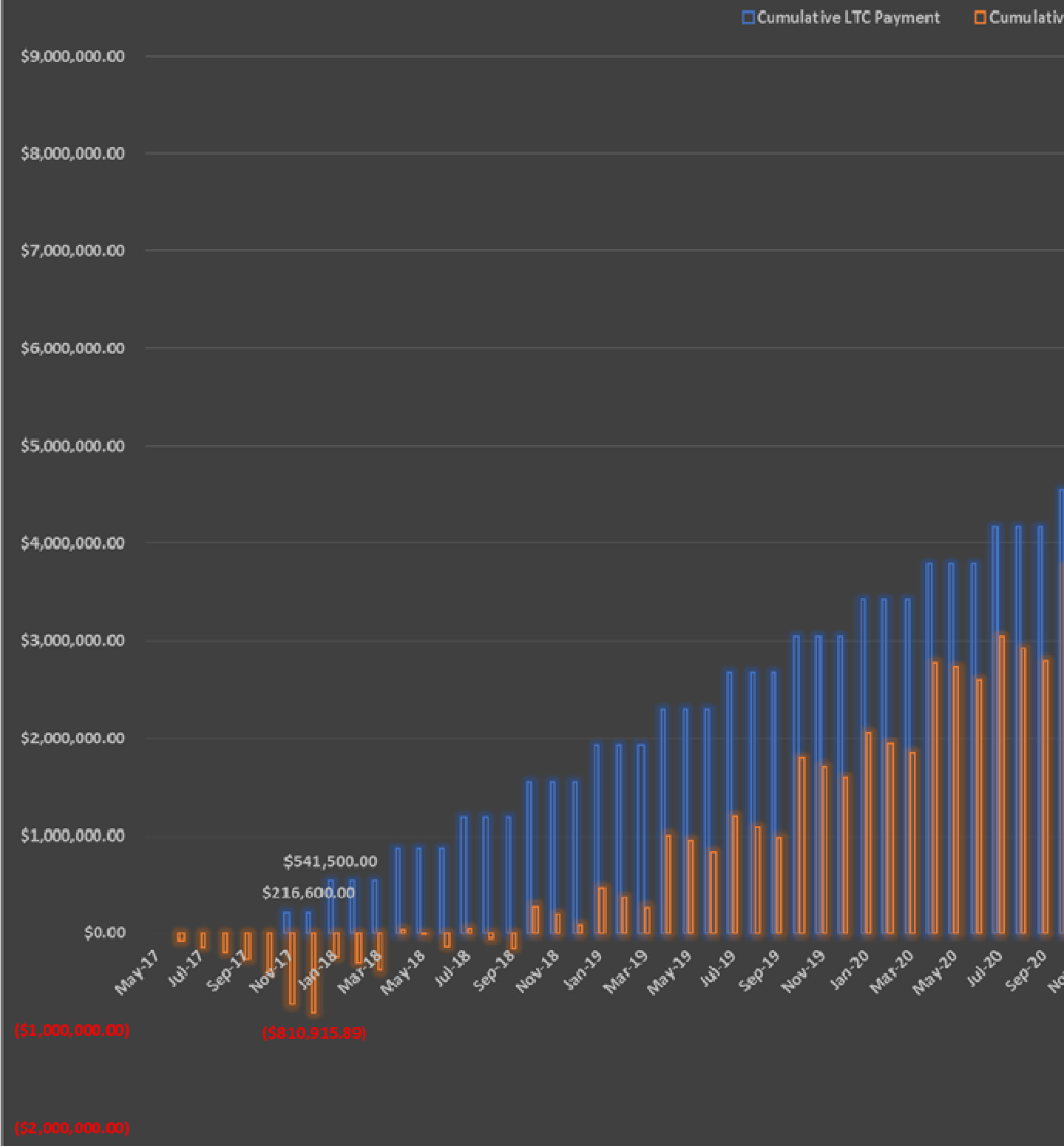
Date	QIPP 1	QIPP 2	QIPP 3	QIPP 4	QIPP 5	QIPP 6
5/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11/1/2017	(\$216,600.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/1/2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1/1/2018	(\$324,900.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4/1/2018	(\$108,300.00)	(\$216,600.00)	\$0.00	\$0.00	\$0.00	\$0.00
5/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2018	\$0.00	(\$324,900.00)	\$0.00	\$0.00	\$0.00	\$0.00
8/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/1/2018	\$0.00	(\$108,300.00)	(\$249,600.00)	\$0.00	\$0.00	\$0.00
11/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/1/2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1/1/2019	\$0.00	\$0.00	(\$374,400.00)	\$0.00	\$0.00	\$0.00
2/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4/1/2019	\$0.00	\$0.00	(\$124,800.00)	(\$249,600.00)	\$0.00	\$0.00
5/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2019	\$0.00	\$0.00	\$0.00	(\$374,400.00)	\$0.00	\$0.00
8/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/1/2019	\$0.00	\$0.00	\$0.00	(\$124,800.00)	(\$249,600.00)	\$0.00
11/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/1/2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	(\$374,400.00)	\$0.00
2/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	(\$124,800.00)	(\$249,600.00)
5/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$374,400.00)
8/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$124,800.00)
11/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12/1/2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

LTC & District Cumulative Cash Flow Existing Loan Structure

Cumulative LTC Payment Cumulative



LTC & District Cumulative Cash Flow Existing Loan Structure



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