

Exhibit “A”

Agenda Item: Receive a report from WCH staff on the damage sustained at the Hospital from Imelda.

- 1. On Tuesday, September 18th, 2019, Winnie Community Hospital had water come in the Hospital from different areas. In some areas, the water level reached about 4 to 6 inches if not more. Damage from flood water included drywall, sheetrock, and wallpaper in both the main building and back buildings that had to be removed. All other water that was trapped or not dried began to damage carpeted areas. We moved forward with evacuating patients from the building around midnight.**
- 2. We had a call with representatives from the Centers for Medicare and Medicaid Services last Monday requesting a status update on our post-disaster and recovery process. We informed them of the details of the night of the flooding and that we were in a recovery process. They were very understanding, guided us, and told us to reach out for any questions we may have. CMS informed us that there would need to be an inspection for life-safety for us to begin admitting patients for the Hospital. They have asked us for a weekly status report and to ask them for any questions we may have during the recovery. We requested information regarding the inspection, and they have connected us with representatives from the Texas Health and Human Services Commission.**
- 3. Currently, the main hospital and emergency room operations, are temporarily closed for restoration and renovations. We are providing extended Clinic and minor care services through the Riceland Winnie Community Clinic. The Clinic is open 24 hours a day, 7 days a week, and will be staffed by the Riceland Medical Center physicians and nursing staff. You may only access the Clinic using the front Main Clinic Entrance.**
- 4. laboratory and radiology services are currently unavailable for either the main Clinic or minor care area. Outpatient lab or X-Ray requests must be fulfilled elsewhere.**
- 5. 911 service will be used for all emergency care until the Emergency Room is back up and running.**
- 6. The Hospital has hired an experienced contractor for mitigation (phase 1) and construction (phase 2) of the Hospital. The contractor has indicated that the Hospital's remediation and restoration will be completed in about one month.**
- 7. At the moment, the crew has set up desiccant Units to start stabilization and drying in the Hospital. The Behavioral and Administrative Buildings we set up with negative air scrubbers with HEPA (high-efficiency particulate air) filters and dehumidifiers to start stabilization and drying. They have begun the process of removing sheetrock, wallpaper, damaged contents such as cabinetry. Their expected end for only the mitigation process is next Wednesday if not the full two weeks they allotted for phase 1 work.**
- 8. Once the contractor has finished with the remediation and restoration, the Hospital will undergo a basic life-safety inspection, and after passing the Emergency Room will return to regular hours and services.**

Exhibit “B”

REAL PROPERTY COMMERCIAL LEASE AGREEMENT

THIS REAL PROPERTY COMMERCIAL LEASE AGREEMENT (the "Lease") is made and entered into by and between Rollo Brothers Partnership, a Texas general partnership (hereinafter referred to as "Lessor"), and the Winnie-Stowell Hospital District (hereinafter collectively referred to as "Lessee").

ARTICLE 1 – LEASED PREMISES

Lessor has leased and rented, and by these presents does lease and rent to Lessee approximately 1,000 square feet of retail space in the retail shopping center located at 111 Pine Street, Pine Street and Hwy 124, Winnie, Chambers County, Texas, as shown in Exhibit "A" attached hereto and incorporated herein for all purposes (hereinafter referred to as "Leased Premises"), such Leased Premises being part of the tract of property described in Exhibit "B" attached hereto and incorporated by reference herein. The land described in Exhibit "B" and any existing and future buildings, parking areas, sidewalks, service areas, and other improvements now existing or hereafter erected thereon are referred to as the "Shopping Center".

Lessee has inspected the Leased Premises and accepts them in their existing condition, on an "As is" Basis. Lessee hereby waives and relinquishes any right to assert, as either a claim or a defense that Lessor is bound to perform or is liable for the nonperformance of any implied covenant or implied duty of Lessor not expressly set forth herein. Lessee waives any implied warranty of Lessor that the Leased Premises are suitable for their intended commercial purpose. Lessee agrees to perform all of its Lease obligations (including without limitation, the obligation to pay rent) notwithstanding an alleged breach by Lessor of any such implied warranty. Lessee agrees that Lessor shall incur no liability to Lessee by reason of any defect in the Leased Premises, whether apparent or latent.

ARTICLE 2 – LEASE TERM

The Initial Term of this lease shall begin October 1, 2019 and continue until November 30, 2019. Lessee shall have no option to renew this Lease for any additional period (referred to as the "Renewal Term") in accordance with Article 19 hereof.

ARTICLE 3 - RENT

- 3.1 During the term of the Lease, Lessee agrees to pay the following amounts as Base Rent each month for the Leased Premises:
- (a) The sum of \$750.00 per month for the Initial Period.
 - (b) The sum of \$750.00 per month for the Renewal Period.
- 3.2 The Base Rent shall be payable monthly, in advance, on or before the first day of each calendar month during the term of the Lease, beginning October 1, 2019. If any monthly installment is not paid by the final day of that month in which the installment is due, then in addition thereto Lessee shall be liable for and shall pay to Lessor a late fee of FIFTY DOLLARS (\$50.00).
- 3.3 Upon execution of this obligation, Lessee shall pay Lessor a security deposit in the amount of \$0.00. Lessor is not obligated to apply the deposit on rents or other charges in arrears or on damages for Lessee's failure to perform the Lease. However, Lessor may so apply the security at its option and its right to possession of the Leased Premises for non-payment of rent or for any other reason shall not in any way be affected by reason of the fact that Lessor holds this security deposit. The security deposit, if not applied toward payment of arrearages or damages as herein provided and if proper notice of termination has been made, shall be returned to the Lessee when the Lease is terminated after Lessee has vacated the Leased Premises and delivered possession to Lessor.
- 3.4 Lessor shall provide water, electricity and sewer services in sufficient capacity to the Leased Premises.

ARTICLE 4 - TAXES

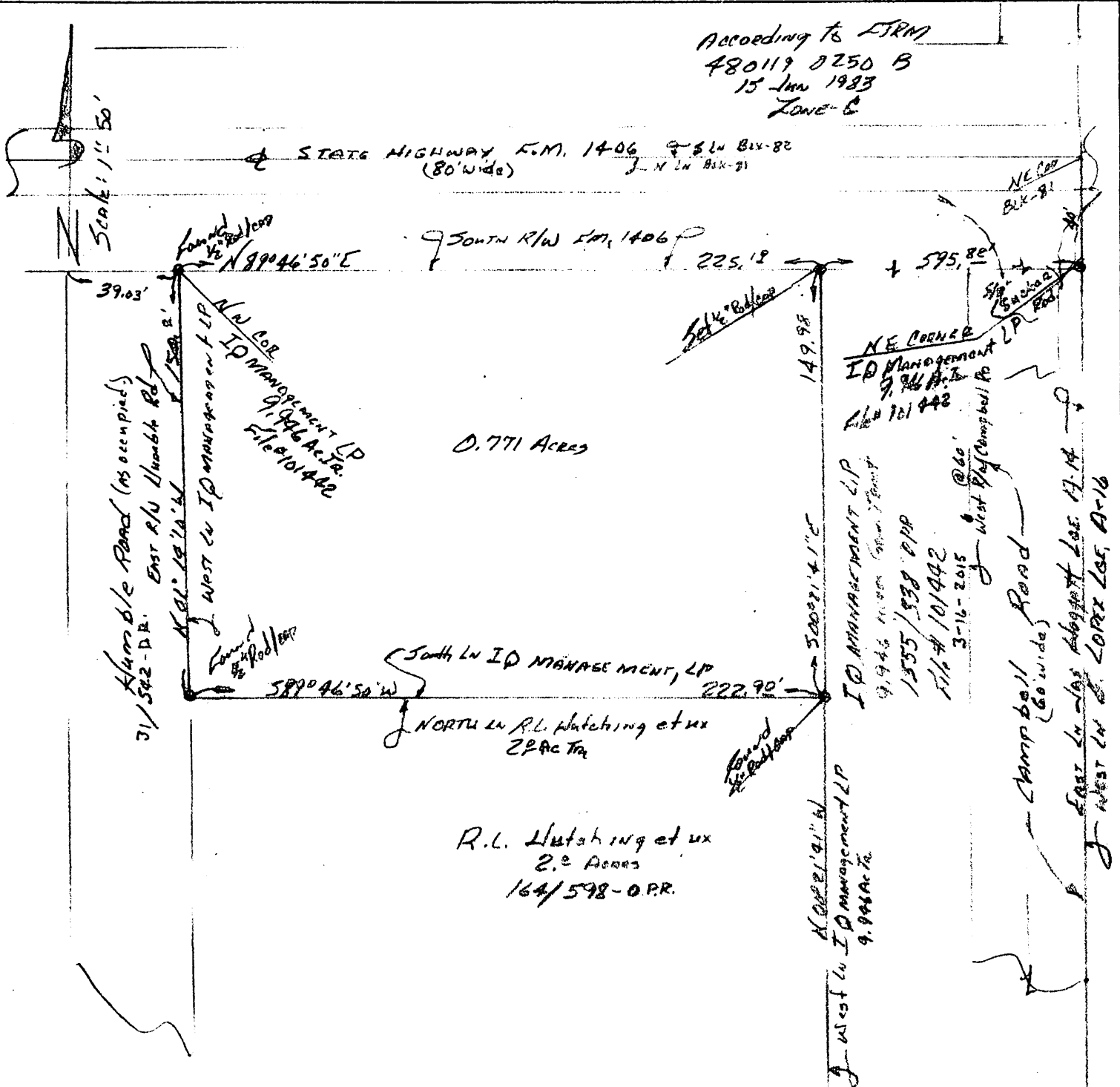
Lessor shall pay and discharge when due all real and ad valorem taxes and assessments which are levied on or assessed against the Leased Premises.

ARTICLE 5 – INSURANCE AND INDEMNITY

- 5.1 Fire and Casualty Insurance. Lessor is not required to maintain fire and casualty insurance on the Leased Premises. Lessee shall be solely responsible for obtaining any

According to LTRM
480119 0250 B
15 Jan 1983
Zone C

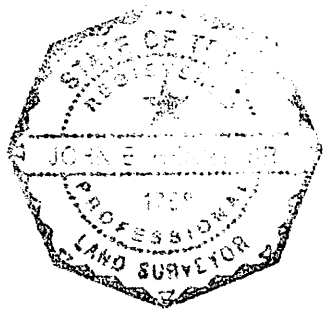
STATE HIGHWAY R.M. 1406 9 814 B14-82
(80' wide) J. N. IN B14-81



0.771 Acres

R.L. Hutching et ux
2.2 Acres
164/598-0.P.R.

Purchaser "Lease"
Winnie-Stonall Hospital District
WINNIE, TEXAS 27665



PART OF SURVEY
0.771 Acre Tract
situated in Reserved Area-Winnie Townsite
A part of sometimes called Block-81 (East of Abandon R.R.)
Winnie Subdiv. Subd. (1/61-M.R.)
-1925 Abgatt Lee-A-14
Chambers County, Texas

SURVEYORS CERTIFICATE

TO THE LIENHOLDERS AND/OR THE OWNERS OF THE PREMISES SURVEYED AND TO THE STEWART TITLE GUARANTY COMPANY:

The undersigned does hereby certify that this survey was this day made on the ground of the property legally described hereon and is correct, and that there are no discrepancies, conflicts, shortages in area, boundary line conflicts, encroachments, overlapping of improvements, easements or rights of way, except as shown hereon, and that said property has access to and from a dedicated roadway.

7 Oct 18 2019

John E. Henry Sr.
John E. Henry, Sr. Sur. Reg. 1768

fire and casualty insurance desired by Lessee to protect its interest in the Leased Premises and in Lessee's personal property located on the Leased Premises.

- 5.2 **Liability Insurance.** Lessee shall, at Lessee's cost, at all times during the term of this Lease, maintain comprehensive general public liability insurance with limits of not less than \$250,000.00 per occurrence and \$1,000,000.00 in the aggregate, insuring against claims for bodily injury, death and property damage occurring upon, in or about the Leased Premises. Such policy of insurance shall include an endorsement naming Lessor as an additional insured and shall provide that such policy shall not be canceled or materially changed without giving at least thirty (30) days written notice to Lessor. In addition, during the Renewal Term of the Lease, Lessor may require Lessee to increase the limits of such insurance coverage, provided that Lessor may not require Lessee to increase such limits by more than twenty-five (25) percent. Lessee shall provide Lessor with a certificate of insurance upon request to confirm that such coverage is in effect.
- 5.3 **Indemnity Agreement.** Lessee agrees to protect, defend and to indemnify and hold harmless Lessor against and from any and all claims, damages, liabilities, costs, losses, and expenses (including reasonable attorney's fees) arising or relating to, directly or indirectly, (1) from the conduct of lessee's business on the leased premises, (2) from lessee's use of the leased premises, (3) from any work, construction, repairs, maintenance or related activity conducted or directed by lessee on the Leased Premises, (4) from any breach or default on the part of lessee in the performance or any covenant or agreement under the terms of this lease, or (5) from any act or omission of Lessee or any of Lessee's agents, owners, employees, customers or invitees.
- 5.4 **Waiver of Liability.** Lessor shall not be liable to Lessee or to Lessee's employees, agents or visitors or to any other person whomsoever, for any injury to person or damage to or loss of property on the Leased Premises, regardless of cause, including without limitation, injury, death or personal property damage arising from or caused by (1) any defect in the Leased Premises or in the building located thereon, whether known or unknown to the Lessor, or (2) the negligence or recklessness of Lessee, whether sole, concurrent or joint, or (3) any interruption in utilities or other services provided to the Leased Premises; and without limiting any other indemnity agreement of Lessee contained in this Lease, Lessee hereby agrees to indemnify Lessor and hold Lessor harmless from any loss, expense (including expenses of defense) and claims arising out of such damage or injury occurring with the Leased Premises, and Lessee shall indemnify and defend Lessor against any and all claims and causes of action that may be asserted against Lessor by any of Lessee's employees, agents, customers or visitors with respect to such damage or injury.

Provided, however, the provisions of this Section 5.4 shall not apply to and Lessee shall have no indemnity obligation for, and Lessor does not waive liability for, any injury, damage or loss occurring in, on or about the common areas of the Leased Premises, including but not limited to sidewalks, walkways, parking areas, and rights-of-way, unless such injury, damage or loss arises from or is caused by the negligence or recklessness of Lessee or its agents or employees. Lessor further agrees to indemnify, defend and hold Lessee harmless from any and all claims and causes of action that may be asserted against Lessee and which arise from such damages or injury in, on or about these common areas.

Under no circumstances whatsoever shall Lessor ever be liable hereunder for consequential damages or special damages; and all liability of Lessor for damages for breach of any covenant, duty or obligation of Lessor hereunder may be satisfied only out of the interest of Lessor in the Shopping Center existing at the time any such liability is adjudicated in a proceeding as to which the judgement adjudicating such liability is non-appealable and not subject to further review. The term "Lessor" shall mean only the owner, for the time being of the Shopping Center, and in the event of the transfer by such owner of its interest in the Shopping Center, such owner shall thereupon be released and discharged from all covenants and obligations of Lessor thereafter accruing, but such covenants and obligations shall be binding during the lease term upon each new owner for the duration of such owner's ownership.

ARTICLE 6 – USE OF LEASED PREMISES

6.1 The Leased Premises shall be used by Lessee for the purpose of operating a business office. Lessee shall not permit the Leased Premises to be used for any unlawful purpose or purposes that will injure the reputation of the same. Lessee agrees to abide by all reasonable building rules and regulations now in existence and that may be implemented from time to time by Lessor regulating the conduct of Lessees in the building in which the Leased Premises are located, including, without limitations, Lessor's right to assign employee parking for all tenants to ensure adequate customer / invitee parking for all tenants.

6.2 Lessee, at its sole cost and expense, shall have the right to remodel the interior and exterior of the Leased Premises from time to time with Lessor's prior written consent, such consent not to be unreasonably withheld.

ARTICLE 7 – MAINTENANCE, REPAIRS, REPLACEMENTS AND ALTERATIONS

Lessor shall provide all reasonably necessary maintenance and repairs to the foundation, HVAC, roof and exterior walls in, on or about the Leased Premises to the extent necessary to maintain the same in good repair and condition throughout the term of this Lease.

Lessor shall also be responsible for paying all Operating Costs incurred with respect to the common areas of the Leased Premises, which costs shall be allocated to Lessee and reimbursed to Lessor in accordance with Section 3.4 above.

Lessee shall be responsible for maintaining and repairing the internal walls, electrical, plumbing and similar items within the Leased Premises.

ARTICLE 8 – DEFAULT

8.1 **Events of Default by Lessee.** The occurrence of any of the following events or the existence of any of the following conditions shall constitute an “event of default” by Lessee hereunder:

- (a) The failure or refusal by Lessee to timely pay the rent required hereunder and the failure to cure such default after the expiration of a period of ten (10) days following the receipt by Lessee of written notice of the default from Lessor;
- (b) The failure or refusal by Lessee to comply with, perform or observe any covenant, condition, agreement, obligation or undertaking required or agreed to be complied with, perform or observe by Lessee herein or in the Construction Rider after the expiration of a period of thirty (30) days following the receipt by Lessee of written notice from Lessor to Lessee of such failure, which notice shall set forth in reasonable detail the nature and extent of such default and/or failure; provided, however, if such default or failure cannot reasonably be cured within such thirty (30) day period, the time to cure such default or failure shall be extended for a reasonable amount of time in order to permit Lessee to cure such default or failure, but only if Lessee commences curing such default and/or failure within such thirty (30) day period and continues the curing thereof with due diligence, speed and continuity; or
- (c) Lessee’s leasehold interest in the Leased Premises is levied upon, attached or subjected to any other lien, mechanic’s lien or legal process (with the exception of liens in favor of Lessor or its successors, affiliates or assigns), and such levy, attachment, lien or process is not removed within thirty (30) days.

8.2 **Remedies of Lessor.** The Lease, the term hereunder and Lessee's leasehold interest in the Leased Premises hereby granted are subject to the limitation that if and whenever any event of default shall exist or occur, in addition to all other rights and remedies given hereunder or by law or equity, without further notice or demand or the occurrence of any event of default by Lessee or at any time thereafter, and after giving notice as required under Section 8.1, Lessor may, at its option, do any one or more of the following:

- (a) Terminate the Lease and Lessee's leasehold interest in the Leased Premises, in which event Lessee shall immediately surrender the Leased Premises to Lessor. If Lessee fails to immediately surrender the Leased Premises to Lessor, without prejudice and any other remedies which Lessor may have for possession of the Leased Premises or arrearages and rent, Lessee hereby expressly authorizes Lessor to enter upon and take possession of the Leased Premises and to expel or remove Lessee and any other person or entity occupying the Leased Premises or any part thereof, by force if necessary, without being liable for trespass, breach of the peace or any claim for damages therefore;
- (b) Treat the event of default as an anticipatory breach of the Lease by Lessee and, with or without terminating the Lease or Lessee's leasehold interest in the Leased Premises, enter upon and take possession of the Leased Premises or any part thereof, and recover from Lessee the present value of all rent to accrue under the Lease, reduced by all rent received by the Lessor in re-leasing the Leased Premises during the remainder of the unexpired portion of this Lease after deducting Lessor's costs of re-leasing the premises, including, without limitation, leasing commissions repairs and remodeling and legal fees; provided that, if Lessor fails to use its best efforts to re-lease the Leased Premises, then Lessor may recover from Lessee the present value of all rents to accrue under the Lease less the present value of the fair market rental value of the Lease for the unexpired portion of the term hereof after deducting Lessor's cost of re-leasing the premises including, without limitation, leasing commissions, repairs and remodeling and legal fees;
- (c) With or without entering the Leased Premises, perform or attempt to perform whatever Lessee is obligated to perform under the provisions of the Lease and Lessee agrees to reimburse Lessor on demand for all fees, costs and expenses which Lessor actually incurs and affecting or attempting to affect compliance with Lessee's obligations under the Lease;
- (d) Alter the locks and/or other security devices providing Lessee access to the Leased Premises; and
- (e) Pursue any other remedy provided under applicable law.

8.3 **No Implied Acceptance of Surrender, No Conversion.** Exercise by Lessor of any one or more of the remedies granted to Lessor in the Lease or otherwise available to Lessor at law or in equity shall not be deemed to be in acceptance by Lessor of surrender of the Leased Premises from Lessee, whether by implied agreement or by operation of law, it being understood that such surrender can be effected only

by the written agreement of Lessor and Lessee. Receipt by Lessor of Lessee's keys to the Leased Premises shall not constitute an acceptance of surrender of the Leased Premises. No alteration of the security devices and no removal or other exercise of dominion by Lessor over the property of Lessee or others at the Leased Premises shall be deemed unauthorized or constitute a conversion. Lessee hereby authorizes and consents to Lessor's exercise of dominion of Lessee's property within the Leased Premises after the existence or occurrence of an event of default. All claims for damages by reason of such re-entry and/or repossession and/or alteration of lights or other security devices are hereby waived, as are all claims for damages by reason of any distress warrant, forcible detainer proceedings, sequestration proceedings or other legal process. Lessee agrees that any re-entry by Lessor may be pursuant to a judgment obtained in forcible detainer proceedings or other legal proceedings or without the necessity for legal proceedings as Lessor may elect and Lessor shall not be liable in trespass or otherwise.

8.4 Re-letting. In the event of any termination of the Lease or of Lessee's right to possession of the Leased Premises on account of an event of default, Lessor shall in good faith attempt to re-let the Leased Premises or any part thereof in order to mitigate Lessor's damages. Any re-letting shall be upon such terms as Lessor deems economically advisable in Lessor's sole discretion and, in making such re-letting, Lessor shall be permitted to offer such terms and concessions (including, without limitation, free rent, above standard leasehold improvements and other terms) as Lessor shall deem necessary or appropriate

8.5 Cost and Expenses. In addition to all other sums payable by Lessee to Lessor hereunder, upon the occurrence of an event of default, irrespective of the exercise by Lessor of any remedies hereunder or at law or in equity, Lessee hereby promises and agrees to pay to the order of Lessor at the address of Lessor set forth in the Lease all brokerage and other fees incurred by Lessor in connection with re-letting the whole or any part of the Leased Premises; the cost of removing and storing Lessee's or any other occupant's property; the commercial reasonable cost of repairing, altering, remodeling or otherwise putting the Leased Premises into a condition acceptable to a new Lessee or Lessees; and all other commercially reasonable fees, attorney's fees, costs and expenses incurred by Lessor in forcing Lessor's remedies or re-letting or attempting to re-let the Leased Premises.

ARTICLE 9 - QUIET ENJOYMENT

Provided Lessee complies with each and all of the covenants, conditions, obligations and duties of Lessee hereunder and subject to all of the provisions of the Lease, Lessee shall quietly have, hold and enjoy the Leased Premises during the term of the Lease.

ARTICLE 10 – DAMAGES OR DESTRUCTION OF PREMISES

10.1 If the Leased Premises, or any structure or improvement on them, are damaged or destroyed by fire, tornado, or other casualty, Lessee must immediately give Lessor written notice of the damage or destruction, including a general description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the Leased Premises are damaged, or totally destroyed by fire, tornado, or other casualty in excess of the insurance recovery during the Initial or any Renewal Term of this Lease, this Lease shall continue in effect, if Lessor shall elect to rebuild the Leased Premises. Lessor shall notify Lessee of Lessor's election to rebuilding within ninety (90) days of Lessee notice to Lessor of the occurrence of damage, otherwise the lease shall terminate without further notice.

ARTICLE 11 – CONDEMNATION

11.1 If, during the Initial Term or any Renewal Term, all of the Leased Premises are taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or are sold to the condemning authority under threat of condemnation, this lease will terminate, and the rent will be abated during the unexpired portion of this lease, effective as of the date the condemning authority takes the premises.

11.2 If less than all, but more than fifty percent (50%), of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or is sold to the condemning authority under threat of condemnation, Lessee may terminate the lease by giving Lessor written notice within thirty (30) days after the entity exercising the power of condemnation takes possession of the condemned portion.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than fifty percent (50%) of the Leased Premises is condemned, this Lease will not terminate, and Lessor shall, at its sole expense, restore and reconstruct the improvements situated on the Leased Premises to make them reasonably leaseable and suitable for the uses for which the premises are leased. The Base Rent payable under Section 3.1 of this lease will be adjusted equitably during the unexpired portion of the lease.

11.3 Lessor is entitled to receive and retain the entire award in any condemnation proceedings, except for any portion attributable to trade fixtures or damages to Lessee's business, which Lessee is entitled to receive and retain. The termination of this lease will not affect the right to this award.

ARTICLE 12 – ATTORNEY’S FEES

In the event of litigation arising from default in performance of any of the provisions of the Lease by either Lessor or Lessee, the prevailing party in such litigation shall be entitled to receive from the other party reasonable attorney’s fees and costs of action incurred in connection with said litigation.

ARTICLE 13 – LIENS AND ENCUMBRANCES

Lessee covenants that no lien, charge or assessment will be allowed to attach to the Leased Premises as a result of any act or omission by Lessee.

Lessor shall have the right to mortgage the Leased Premises, and this Lease shall be subordinate to any existing or future mortgage; provided, however, that the mortgage holder must agree to enter into a non-disturbance agreement with Lessee on terms reasonably acceptable to Lessee and the mortgage holder.

ARTICLE 14 – NOTICES

Until otherwise notified in writing by the other party, all notices to be sent by the parties in connection with this lease shall be sent as follows:

TO LESSOR:	Rollo Brothers Partnership PO Box 1987 Winnie, Chambers Co., Texas 77665 Office Phone 409-296-9250 Cell Phone 409-673-6260
TO LESSEE:	Winnie-Stowell Hospital District PO Box 1997 Winnie, Chambers Co., TX 77665 Office Phone 409-296-1003 Edward Murrell’s Phone 409-656-3413

Notice shall be given by personal delivery or sent by certified or registered mail, return receipt requested, in which case notice shall be deemed given upon deposit in the United States mail, postage prepaid, and addressed to the proper party at the proper address.

ARTICLE 15 – WAIVER

No express or implied waiver by Lessor of any default hereunder shall be in any way construed to be a waiver of any future or subsequent default of Lessee or a waiver of any of the rights of Lessor under the terms of the lease.

ARTICLE 16 – ASSIGNMENT AND SUBLETTING

Lessee shall not assign the lease or enter into any sublease for the Leased Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld provided that the assignment does not violate any Shopping Center restrictions and/or current tenant exclusive rights.

ARTICLE 17 – MISCELLANEOUS

This lease shall be binding upon and inure to the benefit of the successors, assigns, heirs, administrators and executors of each of the parties hereto. The parties may concurrently herewith or will at any time requested by Lessor or Lessee for recording purposes execute a memorandum of this lease, the same to be acknowledged by all parties before a Notary Public.

ARTICLE 18 – LESSEE’S SIGNS

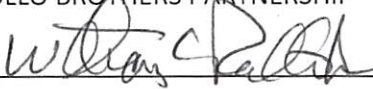
Lessee shall be responsible for the costs and installation of a building fascia sign or which the Leased Premises are a part. Sign plans shall be prepared by Lessee and approved by Lessor. Except as approved by Lessor in writing, no sign, placard or advertisement, or exterior or interior window sign, placard or advertisement shall be painted, erected or displayed and no awnings shall be erected. Lessee shall cause Lessee’s exterior sign to be placed on a time clock and photoelectric cell devise such that the electricity illuminating such sign shall keep Lessee’s electric signs on from dusk till 11:00pm every day during the term of the lease.

ARTICLE 19 - OPTION TO RENEW

Provided Lessee is not in default under this lease, Lessee shall have the option to renew the lease for an additional year at the Base Rental amount specified above.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 3rd day of October, 2019.

LESSOR: ROLLO BROTHERS PARTNERSHIP



William C. Rollo, Jr. – General Partner

LESSEE: Winnie-Stowell Hospital District



Edward Murrell, Board Member

EXHIBITS

EXHIBIT "A"- Leased Premises

EXHIBIT "B" Legal description of shopping center