

Exhibit “A”

6/24/2020

Sherrie,

I, Raul Espinosa, am writing to advise that I am hereby immediately resigning from the Winnie Stowell Hospital District Board of Directors. Given my health conditions and the fact that I am going to be moving from away from the District, I am no longer eligible to serve on the District's Board. Will you please advise the Board of my decision so that they can appoint someone to fill my unexpired terms. Rest assured, I have enjoyed my time as a Hospital District Board member and wish the District best of luck.

Sincerely,

Raul Espinosa

A handwritten signature in blue ink, appearing to read "Raul Espinosa". The signature is fluid and cursive, with a long horizontal stroke at the end.A handwritten signature in blue ink, appearing to read "Laura Jane Mann". The signature is written in a cursive style.

Exhibit “B-1”

Winnie-Stowell Hospital District

07/14/20

Balance Sheet

Accrual Basis

As of June 30, 2020

	Jun 30, 20
ASSETS	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	45,467.70
102 Prosperity Bank - CD#0447	108,816.91
104 Allegiance Bank - CD#9053	2,806,356.10
105 TexStar	689,908.62
107 InterBank ICS (Restricted)	
107.01b GIB 0228 DACA	250,000.00
107.01c GIB Collateral Funds	7,987,158.16
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Total 107 InterBank ICS (Restricted)	8,237,158.16
108 Allegiance Bank NH Combined	4,268,798.57
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Total Checking/Savings	16,156,506.06
Other Current Assets	
110 Sales Tax Receivable	116,206.43
114 Accounts Receivable NH	25,111,997.27
117 NH - QIPP Prog Receivable	5,011,846.45
118 Prepaid Expense	257,105.00
119 Prepaid IGT	8,743,782.40
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Total Other Current Assets	39,240,937.55
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Total Current Assets	55,397,443.61
Fixed Assets	
120 Equipment	140,654.96
125 Accumulated Depreciation	-113,810.64
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Total Fixed Assets	26,844.32
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TOTAL ASSETS	55,424,287.93
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LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
190 NH Payables Combined	3,865,959.24
201 NHP Accounts Payable	3,018,641.02
201.1 NH Payable - LTC	264,000.00
210.16 Loan Payable #16 QIPP 3	5,067,701.53
210.17a Loan Payable 17a QIPP 4	6,042,712.83
210.50 Allegiance Bk Ln 4 QIPP3	2,000,000.00
225 FUTA Tax Payable	112.00
230 SUTA Tax Payable	251.31
235 Payroll Liabilities	2,820.74
240 Accounts Payable NH	19,342,663.01
250 Stimulus Funds Flow-Through	403,818.89
Direct Deposit Liabilities	-3,353.56
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Total Other Current Liabilities	40,005,327.01
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Total Current Liabilities	40,005,327.01
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Total Liabilities	40,005,327.01

Winnie-Stowell Hospital District

Balance Sheet

As of June 30, 2020

	<u>Jun 30, 20</u>
Equity	
300 Net Assets, Capital, net of	59,503.44
310 Net Assets-Unrestricted	4,755,312.01
Opening Balance Equity	3,353.56
Retained Earnings	9,697,766.09
Net Income	903,025.82
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Total Equity	15,418,960.92
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TOTAL LIABILITIES & EQUITY	55,424,287.93
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Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of Junel 30, 2020

Accrual Basis

	Jan - Jun 20	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	344,135.59	500,000.00	-155,864.41	68.8%
405 Investment Income	26,413.38	46,000.00	-19,586.62	57.4%
409 Tobacco Settlement	13,221.78	9,800.00	3,421.78	134.9%
415 Nursing Home - QIPP Program	13,766,708.04	34,690,788.07	-20,924,080.03	39.7%
Total Income	14,150,478.79	35,246,588.07	-21,096,109.28	40.1%
Expense				
500 Admin-Administrative Salary	30,999.99	63,000.00	-32,000.01	49.2%
504 Admin-Administrators PR Tax	2,539.30	4,800.00	-2,260.70	52.9%
505 Admin-Board Bonds	50.00	250.00	-200.00	20.0%
515 Admin-Bank Service Charges	30.20	360.00	-329.80	8.4%
521 Professional Fees - Acctng	9,437.50	25,000.00	-15,562.50	37.8%
522 Professional Fees-Auditing	23,450.00	25,000.00	-1,550.00	93.8%
523 Professional Fees - Legal	6,000.00	25,000.00	-19,000.00	24.0%
550 Admin-D&O / Liability Ins.	9,591.04	9,331.00	260.04	102.8%
560 Admin-Cont Ed, Travel	0.00	5,000.00	-5,000.00	0.0%
561 Admin-Cont Ed-Medical Pers.	750.71	5,000.00	-4,249.29	15.0%
562 Admin-Travel&Mileage Reimb.	0.00	1,500.00	-1,500.00	0.0%
569 Admin-Meals	0.00	1,000.00	-1,000.00	0.0%
570 Admin-District/County Prom	0.00	2,500.00	-2,500.00	0.0%
571 Admin-Office Supplies/Post	3,850.00	6,800.00	-2,950.00	56.6%
572 Admin-Web Site	485.00	1,500.00	-1,015.00	32.3%
573 Admin-Copier Lease/Contract	1,494.29	2,500.00	-1,005.71	59.8%
575 Admin-Cell Phone Reimburse	900.00	1,800.00	-900.00	50.0%
576 Admin-Telephone/Internet	1,101.00	3,000.00	-1,899.00	36.7%
590 Admin-Election Cost	0.00	5,000.00	-5,000.00	0.0%
591 Admin-Notices & Fees	1,566.69	5,000.00	-3,433.31	31.3%
592 Admin Office Rent	7,500.00	7,080.00	420.00	105.9%
593 Admin-Utilities	0.00	1,800.00	-1,800.00	0.0%
594 Admin-Casualty & Windstorm	2,060.10	2,060.00	0.10	100.0%
597 Admin-Flood Insurance	1,282.00	1,282.00	0.00	100.0%
600 East Chambers ISD Partnersh	75,000.00	180,000.00	-105,000.00	41.7%
601 IC-Pmt to Hosp (Indigent)	196,669.36	196,669.36	0.00	100.0%
602 IC-WCH 1115 Waiver Prog	108,394.04	102,657.38	5,736.66	105.6%
603a IC-Pharmaceutical Costs	46,459.21	110,000.00	-63,540.79	42.2%
604a IC-Non Hosp Cost-Other	400.00	5,000.00	-4,600.00	8.0%
604b IC-Non Hosp Costs UTMB	53,810.28	250,000.00	-196,189.72	21.5%
605 IC-Office Supplies/Postage	129.16	1,200.00	-1,070.84	10.8%
607 IC-Non Hosp Costs-WSEMS	0.00	1,000.00	-1,000.00	0.0%
611 IC-Indigent Care Dir Salary	22,786.87	45,611.15	-22,824.28	50.0%
612 IC-Payroll Taxes -Ind Care	1,866.85	3,500.00	-1,633.15	53.3%
615 IC-Software	6,654.00	13,308.00	-6,654.00	50.0%
616 IC-Travel	1,161.15	550.00	611.15	211.1%
617 IC -Youth Counseling	3,145.00	5,000.00	-1,855.00	62.9%
629 - Property Acquisition	124,674.85	150,000.00	-25,325.15	83.1%
630 NH Program-Mgt Fees	3,257,640.66	8,752,055.52	-5,494,414.86	37.2%
631 NH Program-IGT	7,251,426.66	17,590,711.32	-10,339,284.66	41.2%
632 NH Program-Telehealth Fees	76,938.22	154,500.82	-77,562.60	49.8%
633 NH Program-Acctg Fees	0.00	35,000.00	-35,000.00	0.0%
634 NH Program-Legal Fees	107,321.54	190,000.00	-82,678.46	56.5%
635 NH Program-LTC Fees	792,000.00	1,692,000.00	-900,000.00	46.8%
637 NH Program-Interest Expense	1,017,487.30	2,109,782.67	-1,092,295.37	48.2%
638 NH Program-Bank Fees & Misc	0.00	300.00	-300.00	0.0%
639 NH Program-Appraisal	0.00	2,500.00	-2,500.00	0.0%
640 Nursing Home Oper. Expenses	0.00	2,500.00	-2,500.00	0.0%
641 NH-Not On My Watch	0.00	110,000.00	-110,000.00	0.0%
653 Service Fee	0.00	100.00	-100.00	0.0%
675 Building-Property Expenses	400.00			
Total Expense	13,247,452.97	31,909,509.22	-18,662,056.25	41.5%
Net Income	903,025.82	3,337,078.85	-2,434,053.03	27.1%

Exhibit “B-2”

WSHD Treasurer's Report and Supporting Documents

Reporting Date:		Wednesday, July 15, 2020		
Pending Expenses	For	Amount	Funds Summary	Totals
Brookshire Brothers	Indigent Care	\$3,988.04	Prosperity Operating	\$65,264.17
Wilcox Pharmacy	Indigent Care	\$2,003.41	Interbank (Restricted-Comp. 2 & Prepaid Int.)	(\$5,163,723.94)
UTMB at Galveston	Indigent Care	\$32,714.25	Interbank (Unrestricted)	\$3,074,874.22
UTMB Faculty Group	Indigent Care	\$7,757.40	Prosperity CD	\$108,816.91
Indigent Healthcare Solutions	IC Inv #70182	\$1,109.00	TexStar	\$689,908.62
American Education Services	S Stern-Student Loan	\$150.14	Allegiance Bank LOC (Available)	\$816,822.43
Penelope (Polly) Butler	Youth Counseling	\$170.00	Net Cash Position (less Interbank)	\$4,755,686.35
Grace Nichols	Youth Counseling	\$340.00	Pending Expenses	(\$75,949.82)
Barrier Reef ER Physician	Indigent Care	\$118.78	Ending Balance	<u>\$4,679,736.53</u>
Benckenstein & Oxford	Inv # (April 2020)	\$23,575.00	Last Month	
Hubert Oxford	1/2 Legal Retainer	\$500.00	Prosperity Operating	\$85,814.15
Josh Heinz	1/2 Legal Retainer	\$500.00	Interbank-restricted	\$3,257,947.77
David Sticker	Inv #22154	\$2,312.50	<u>Interbank-unrestricted (Adjusted)</u>	\$2,322,733.59
Function 4	Inv #796353	\$36.30	Prosperity CD	\$108,816.91
Technology Solutions of Texas	Inv #1465	\$75.00	TexStar	\$689,401.60
Felipe Ojedia	Yard Service	\$300.00	Allegiance Bank LOC (Available)	\$806,356.10
Graciela Chavez	Office Cleaning	\$100.00	Net Cash Position (less Interbank)	\$4,013,122.35
Triton (Cyber Security Ttraining)	Inv #2358	\$200.00	Pending Expenses	\$45,720.40
			Ending Balance	<u>\$3,967,401.95</u>
Total Pending Expenses		\$75,949.82		

Interbank Account Reconciliation

		To be Received	Total Due
GIB Balance 7/14	\$8,238,598.16		
Loan 16 Payment-March (Per Charice)	(\$1,151,865.71)		
Loan 16 Payment-April (Per Charice)	(\$1,191,548.59)		
Loan 16 Payment-May	(\$1,339,152.47)		
QIPP 3 March Cmp 2 MGR	(\$98,706.27)		
QIPP 3 April Cmp 2 MGR	(\$101,598.02)		
QIPP 3 May Cmp 2 MGR	(\$87,977.64)		
QIPP 3 May Cmp 3 MGR	(\$639,037.26)		
NonQIPP funds	(\$2,602.60)		
Reserve Ln 16 June -Sept. Interest	(\$212,843.46)		
Reserve Ln 17a-June-Oct 2020	(\$338,391.92)		
Restricted	(\$5,163,723.94)		
Unrestricted	\$3,074,874.22		
Total Funds	\$8,238,598.16	\$0.00	\$0.00

Cash Availability Report-June 2020 to January 2021

Date	Transaction	Notes	Actual
July 2020			
July 14, 2020	Cash Available	DOES NOT INCLUDE PROSPERITY CD & TEXSTAR	\$3,956,960.82
July 1, 2020	Allegiance Interest	Recurring through 8/31/2020	(\$6,027.78)
July 1, 2020	Payment to East Chambers	Recurring monthly	(\$15,000.00)
July 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
July 15, 2020	Hospital Assitance	Pending	(\$700,000.00)
July 15, 2020	Hospital IGT (UHRIP)	August Payment	(\$50,000.00)
July 31, 2020	Interest-Loan 16 (8/10)	Recurring through 9/30/2020	(\$70,947.82)
July 31, 2020	Component 2 Payment	Recurring (QIPP 3, 1st Half)	\$73,511.10
July 31, 2020	LTC Payment May, June, and July	Quarterly Payment	(\$396,000.00)
July 31, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
July 31, 2020	Interest-Loan 16 (8/10)	Recurring through 9/30/2020	(\$70,947.82)
July 31, 2020	Component 1 Payment	June Component 1 Payment	\$1,136,939.85
July 31, 2020	Principle Payment-Loan 16 (8/10)	Payment 8/10 for Loan 16	(\$1,136,939.85)
July 31, 2020	Comp 3 Payment	Jun-20	\$195,800.40
July 31, 2020	QIPP Year 3, Qtr. 3 Component 4 and Lapsing Fund	Based on QIPP Year 3, QTRs Component 4 and	\$831,228.60
CA July 31, 2020			\$3,719,227.67
August 2020			
August 1, 2020	Allegiance Interest	Recurring through 8/31/2020	(\$6,027.78)
August 1, 2020	Payment to East Chambers	Recurring monthly	(\$15,000.00)
August 1, 2020	Interest Set Aside-17a	One time payment for Interest (June 30, 2020-	(\$422,989.90)
August 1, 2020	LTC Payment	August	(\$132,000.00)
Aug. 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
August 31, 2020	QIPP Year 3, Component 2	Estimate based on IGT	\$73,511.10
August 31, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
August 31, 2020	Interest-Loan 16 (9/10)	Recurring through 9/30/2020	(\$70,947.82)
August 31, 2020	Component 1 Payment	July Component 1 Payment	\$1,106,287.67
August 31, 2020	Principle Payment-Loan 16 (9/10)	Payoff Balance of Loan 16	(\$477,198.12)
August 31, 2020	Comp 3 Payment	Jul-20	\$201,945.47
August 31, 2020	Payment of Line of Credit		(\$629,089.55)
August 31, 2020	Increase in Cash Available to Line of Credit	Following the payment of the balance of Loan 16, the balance of Component 1 funds are to be used to repay LOC (Balance on LOC is \$1,370,910.45)	\$629,089.55
CA August 31, 2020			\$3,947,458.47
September 2020			
September 1, 2020	Interest-Loan 16 (9/10)	Recurring through 9/30/2020	(\$70,947.82)
September 1, 2020	Allegiance Interest	Recurring-Decreased to to LOC payment	(\$3,909.97)
September 1, 2020	Payment to East Chambers	Recurring monthly	(\$15,000.00)
September 1, 2020	LTC Payment	September	(\$150,000.00)
September 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
September 30, 2020	QIPP Year 3, Component 2	Estimate based on IGT	\$73,511.10
September 30, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
September 30, 2020	Component 1 Payment	August Component 1 Payment	\$1,165,621.80
September 30, 2020	Comp 3 Payment	August	\$209,316.84
September 30, 2020	Payment of Line of Credit	Following the payment of the balance of Loan 16, the balance of Component 1 funds are to be used to repay LOC.	(\$1,165,621.80)
September 30, 2020	Increase in Cash Available to Line of Credit	Following the payment of the balance of Loan 16, the balance of Component 1 funds are to be used to repay LOC (Balance of LOC-\$205,288.65).	\$1,165,621.80
September 30, 2020	Payoff Balance of Line of Credit		(\$205,288.65)
CA September 30, 2020			\$4,921,411.93

October 2020			
October 1, 2020	Interest-Loan 16 (10/10)	Loan 16 Final Interest Payment	(\$70,947.82)
October 1, 2020	Allegiance Interest	Final month of Interest for IGT	\$1,490.30
October 1, 2020	LTC Payment	October	(\$150,000.00)
October 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
October 15, 2020	Hospital IGT (UHRIP)	October Payment	(\$50,000.00)
October 31, 2020	QIPP Year 4, Component 2	Estimate based on IGT	\$105,000.00
October 31, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
October 31, 2020	Component 1 Payment	September Component 1 Payment	\$1,862,993.91
October 31, 2020	Principle Payment-Loan 17a	Payment 5/10 for Loan 17a	(\$1,862,993.91)
October 31, 2020	QIPP Year 3, Qtr. 4 Component 3, 4, and Lapsing Fund Payment	Based on QIPP Year 3, QTR 2 Component 3,4 and Lapsing Funds	\$999,207.54
CA October 31, 2020			\$5,726,812.11

November 2020			
November 1, 2020	Payment to East Chambers	Recurring monthly	(\$15,000.00)
November 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
November 30, 2020	LTC Payment	December	\$0.00
November 30, 2020	Interest-Loan 17a (6/10)	Recurring through 9/30/2020	(\$84,597.98)
November 30, 2020	QIPP Year 4, Component 2	Estimate based on IGT	\$105,000.00
November 30, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
November 30, 2020	Component 1 Payment	October Component 1 Payment	\$1,893,738.55
November 30, 2020	Principle Payment-Loan 17a	Payment 6/10 for Loan 17a	(\$1,893,738.55)
CA November 30, 2020			\$5,702,864.29

December 2020			
December 1, 2020	QIPP Year 4, IGT 2 Line of Credit Payment	Use \$6,000,000 of LOC	(\$6,000,000.00)
Balance after Payment for Year 4, IGT 2			(\$297,135.71)
December 1, 2020	Interest Set Aside-Loan 18	One time payment for Interest 12/1/2020-9/31/2021)	(\$422,989.90)
December 1, 2020	Payment to East Chambers	Recurring monthly	(\$15,000.00)
December 15, 2020	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
December 15, 2020	Hospital IGT (UHRIP)	August Payment	(\$81,000.00)
December 31, 2020	Interest-Loan 17a (7/10)	Recurring through 9/30/2020	(\$84,597.98)
December 31, 2020	QIPP Year 4, Component 2	Estimate based on IGT	\$105,000.00
December 31, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
December 31, 2020	Component 1 Payment	November Component 1 Payment	\$1,842,479.88
December 31, 2020	Principle Payment-Loan 17a	Payment 7/10 for Loan 17a	(\$1,842,479.88)
CA December 31, 2020			DOES NOT INCLUDE PROSPERITY CD & TEXSTAR (\$825,073.42)

January 2021			
January 1, 2021	Payment to East Chambers	Recurring monthly	(\$15,000.00)
January 15, 2021	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
January 31, 2021	LTC Payment	November, December, January	(\$450,000.00)
January 31, 2021	Interest-Loan 17a (8/10) and Interest-17b (6/10)	Recurring through 9/30/2020	\$169,195.96
January 31, 2021	QIPP Year 3, Component 2	Estimate based on IGT	\$73,511.10
January 31, 2021	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$71,016.50)
January 31, 2021	Component 1 Payment	December Component 1 Payment	\$2,056,326.98
January 31, 2021	Principle Payment-Loan 17a (8/10)	Payment 8/10 for Loan 17a	(\$443,500.49)
January 31, 2021	Principle Payment-Loan 17b (7/8)	Payment 7/8 for Loan 17b	(\$1,612,826.49)
January 31, 2021	QIPP Year 4, Qtr. 1 Component 3, 4, and Lapsing Fund	Based on 75% (90% is \$3,232,181.69)	\$2,693,484.74
January 31, 2021	Principle Payment-Loan 17b-Reserve	Reserve for Loan 17a & b	(\$363,249.34)
CA January 31, 2021			\$1,253,519.21

Outstanding Short Term Revenue Note-Loan 16					
Loan 16/IGT 6-Principle	\$5,067,701.53				\$4,590,503.41
Interest	16.80%	\$709,478.20			
Fund Received	12/1/2019				
	Date	Balance	Interest	Principal Rcvd.	Payment
1	1/2/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
2	1/31/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
3	2/28/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
4	3/31/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
5 - (March 2020, Comp. 1)	4/30/2020	\$5,067,701.53	\$70,947.82	\$1,151,865.71	\$1,222,813.53
6 - (April 2020, Comp. 1)	5/31/2020	\$5,067,701.53	\$70,947.82	\$1,191,548.59	\$1,262,496.41
7 - (May 2020, Comp. 1)	6/30/2020	\$5,067,701.53	\$70,947.82	\$1,110,149.26	\$1,181,097.08
8 - (June 2020, Comp. 1)	7/31/2020	\$5,067,701.53	\$70,947.82	\$1,136,939.85	\$1,207,887.67
Reserve	7/31/2020	\$5,067,701.53	\$0.00	\$0.00	\$0.00
9 - (July 2020, Comp. 1)	8/31/2020	\$5,067,701.53	\$70,947.82	\$477,198.12	\$548,145.94
10-(Aug. 2020, Comp. 1)	9/30/2020	\$5,067,701.53	\$70,947.82	\$0.00	\$70,947.82
Amount Paid	9/30/2020	\$0.00	\$709,478.20	\$5,067,701.53	\$5,777,179.73
Amount Due: September 30, 2020			\$709,478.20	\$5,067,701.53	\$5,777,179.73
Amount Remaining				\$0.00	\$0.00

Outstanding Short Term Revenue Note-Loan 17a					
Loan 17a-Principle	\$6,042,712.83		Reserve		\$422,989.90
Interest	16.80%	\$845,979.80			
Fund Received	6/1/2020				
	Date	Balance	Interest	Principal Rcvd.	Payment
1	6/30/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
2	7/31/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
3	8/31/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
4	9/30/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
5-(Sept. 2020, Comp. 1)	10/31/2020	\$6,042,712.83	\$84,597.98	\$1,862,993.91	\$1,947,591.89
6-(Oct. 2020, Comp. 1)	11/30/2020	\$6,042,712.83	\$84,597.98	\$1,893,738.55	\$1,978,336.53
7-(Nov. 2020, Comp. 1)	12/31/2020	\$6,042,712.83	\$84,597.98	\$1,842,479.88	\$1,927,077.86
8-(Dec. 2020, Comp. 1)	1/31/2021	\$6,042,712.83	\$84,597.98	\$443,500.49	\$528,098.47
Reserve		\$6,042,712.83	\$0.00	\$0.00	\$0.00
9 (Jan. 2021, Comp. 1)	2/28/2021	\$6,042,712.83	\$84,597.98		\$84,597.98
10 (Feb. 2021, Comp. 1)	3/31/2021	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
Amount Paid	3/31/2021	\$0.00	\$845,979.80	\$6,042,712.83	\$6,888,692.63
Amount Due: March 31, 2021			\$845,979.80	\$6,042,712.83	\$6,888,692.63
Amount Remaining				(\$0.00)	(\$0.00)

Outstanding Short Term Revenue Note-Loan 17b					
Loan 17b-Principle	\$6,042,712.83		Reserve		\$422,989.90
Interest	16.80%	\$676,783.84			
Fund Received	8/1/2020			\$845,979.80	
	Date	Balance	Interest	Principal Rcvd.	Payment
1	8/31/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
2	9/30/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
3	10/31/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
4	11/30/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
5	12/31/2020	\$6,042,712.83	\$84,597.98	\$0.00	\$84,597.98
6 (Dec. 2020, Comp. 1)	1/31/2021	\$6,042,712.83	\$84,597.98	\$1,612,826.49	\$1,697,424.47
Reserve	1/31/2021	\$6,042,712.83		\$363,249.34	\$363,249.34
7 (Jan. 2021, Comp. 1)	2/28/2021	\$6,042,712.83	\$84,597.98	\$2,049,810.68	\$2,134,408.66
8-(Feb. 2021, Comp. 1)	3/31/2021	\$6,042,712.83	\$84,597.98	\$2,016,826.32	\$2,101,424.30
Amount Paid	3/31/2021	\$0.00	\$676,783.84	\$6,042,712.83	\$6,719,496.67
Amount Due: March 31, 2021			\$676,783.84	\$6,042,712.83	\$6,719,496.67
Amount Remaining				\$0.00	\$0.00

Allegiance Bank Line of Credit					
Principle (IGT 6)	\$2,700,000.00	Principle Balance Owed	\$2,000,000.00		
Interest	3.25%	LOC Funds Available	#REF!		
	Date	Balance	Interest	Principal Rcvd.	Payment
1	2/7/2020	Interest Payment		\$0.00	\$6,027.78
2	3/9/2020	Interest Payment		\$0.00	\$5,638.89
3	4/7/2020	Interest Payment		\$0.00	\$6,027.78
4	4/30/2020	Interest Payment		\$0.00	\$5,833.33
5 - (March 2020, Comp. 1)	5/31/2020	Interest Payment		\$0.00	\$6,027.00
6 - (April 2020, Comp. 1)	6/30/2020	Interest Payment		\$0.00	\$6,027.78
7 - (May 2020, Comp. 1)	7/31/2020	Principle Payment		\$0.00	\$6,027.78
8 - (June 2020, Comp. 1)	8/31/2020	Principle Payment		\$629,089.55	\$3,909.97
10-(Aug. 2020, Comp. 1)	9/30/2020	Principle Payment		\$1,165,621.80	\$310.51
Balance Due	9/30/2020	Principle Payment		\$205,288.65	\$1,179.79
Amount Paid	9/30/2020	\$0.00	\$0.00	\$2,000,000.00	\$45,830.82

District's Investments					
	Amount	Percentage	From	To	Interest
*CD at Allegiance Bank C.D. #9503	\$2,816,822.43	35%	6/1/2020	6/30/2020	Paid Quarterly
CD at Prosperity (Qtr.) C.D. #0447	\$108,816.18	1.75%	6/1/2020	6/30/2020	Paid \$466.26 May 2020
Texstar C.D. #1110	\$689,908.62	1.56%	6/1/2020	6/30/2020	\$111.92
<p>TO THE BEST OF MY KNOWLEDGE, THESE FIGURES IN THE WSDH TREASURER'S REPORT AND SUPPORTING DOCUMENTS CORRECT AND IN COMPLIANCE WITH THE DISTRICT'S INVESTMENT POLICY.</p>					
<p>_____ Edward Murrell, President</p>			<p>_____ Robert "Bobby" Way Treasurer/Investment Officer</p>		
<p>_____ Date</p>			<p>_____ Date</p>		
<p>Italics are Estimated amounts</p>					

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/10/20-06/10/20

Brookshire Bros. Phar. (Winnie)
 P.O. Box 2058
 Lufkin, TX 75904

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	3,988.04
Expenditures		3,988.04
Reimb/Adjustments		
Grand Total		3,988.04

19 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1000*65460*24	WSHD	06/08/2020	12.00	12.00
1000*65460*24	WSHD	06/12/2020	8.77	8.77
1000*65460*24	WSHD	06/12/2020	11.94	11.94
1000*65460*24	WSHD	06/26/2020	50.06	50.06
1019*65460*46	WSHD	06/17/2020	39.28	39.28
1019*65460*46	WSHD	06/17/2020	5.76	5.76
1019*65460*46	WSHD	06/17/2020	15.84	15.84
1019*65460*46	WSHD	06/17/2020	56.58	56.58
1019*65460*46	WSHD	06/17/2020	6.74	6.74
1044*65460*16	WSHD	06/05/2020	518.26	433.32
1044*65460*16	WSHD	06/05/2020	39.70	39.70
1044*65460*16	WSHD	06/05/2020	53.40	34.22
1049*65460*39	WSHD	06/09/2020	53.59	53.59
1049*65460*39	WSHD	06/09/2020	6.36	6.36
1049*65460*39	WSHD	06/09/2020	33.23	33.23
1065*65460*11	WSHD	06/05/2020	13.33	13.33
1065*65460*11	WSHD	06/05/2020	5.59	3.40
1065*65460*11	WSHD	06/05/2020	6.01	5.77
1081*65460*21	WSHD	06/04/2020	80.00	80.00
1081*65460*21	WSHD	06/09/2020	6.56	6.56
1081*65460*21	WSHD	06/09/2020	15.88	15.04
1081*65460*21	WSHD	06/23/2020	22.50	22.50
1081*65460*21	WSHD	06/13/2020	25.00	25.00
1091*65460*28	WSHD	06/02/2020	576.98	483.23
1091*65460*28	WSHD	06/02/2020	51.23	51.23
1091*65460*28	WSHD	06/02/2020	22.24	21.82
1096*65460*22	WSHD	06/05/2020	30.58	30.58
1096*65460*22	WSHD	06/05/2020	8.19	7.00
1108*65460*11	WSHD	06/08/2020	10.00	10.00
1108*65460*11	WSHD	06/08/2020	10.25	10.25
1108*65460*11	WSHD	06/16/2020	40.00	40.00
1108*65460*11	WSHD	06/16/2020	25.00	25.00
1108*65460*11	WSHD	06/30/2020	8.06	8.06
1108*65460*11	WSHD	06/30/2020	25.00	25.00

GL Totals

Issued 07/11/20

Winnie Stowel Hospital District Indigent Healthcare Services

Batch Dates 06/10/20-06/10/20

Brookshire Bros. Phar. (Winnie)

Vendor #: 65460

P.O. Box 2058

Lufkin, TX 75904

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1122*65460*16	WSHD	06/09/2020	12.00	12.00
1122*65460*16	WSHD	06/09/2020	40.00	40.00
1122*65460*16	WSHD	06/09/2020	12.02	12.02
1122*65460*16	WSHD	06/09/2020	12.00	12.00
1123*65460*18	WSHD	06/19/2020	12.02	12.02
1123*65460*18	WSHD	06/19/2020	62.75	62.75
1123*65460*18	WSHD	06/30/2020	12.00	12.00
1128*65460*15	WSHD	06/03/2020	15.09	15.09
1128*65460*15	WSHD	06/09/2020	15.00	15.00
1128*65460*15	WSHD	06/15/2020	147.11	147.11
1134*65460*16	WSHD	06/03/2020	16.50	10.52
1134*65460*16	WSHD	06/03/2020	74.60	74.60
1140*65460*12	WSHD	06/01/2020	20.40	20.40
1155*65460*2	WSHD	06/15/2020	10.25	10.25
1155*65460*2	WSHD	06/15/2020	10.00	10.00
1155*65460*2	WSHD	06/17/2020	31.14	20.26
1155*65460*2	WSHD	06/23/2020	45.92	45.92
1155*65460*2	WSHD	06/29/2020	6.27	6.27
1155*65460*2	WSHD	06/29/2020	10.00	0.00
1155*65460*2	WSHD	06/29/2020	6.20	5.42
1167*65460*6	WSHD	06/25/2020	518.26	433.32
1167*65460*6	WSHD	06/25/2020	53.40	34.22
1167*65460*6	WSHD	06/25/2020	86.84	86.84
1179*65460*1	WSHD	06/01/2020	78.67	78.67
1179*65460*1	WSHD	06/01/2020	37.40	37.40
2458*65460*5	WSHD	06/22/2020	40.00	40.00
2815*65460*5	WSHD	06/01/2020	1,173.43	990.22
2815*65460*5	WSHD	06/01/2020	39.05	20.94
2815*65460*5	WSHD	06/01/2020	31.64	31.64
19 invoices, 63 line items	***		4,523.87	3,988.04

Grand Totals**4,523.87****3,988.04****19 total invoices****63 total line items**

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/20/20-06/20/20

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

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	2,003.41
Expenditures		2,003.41
Reimb/Adjustments		
Grand Total		2,003.41

45 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1040*18651*41	WSHD	06/09/2020	27.67	19.81
1040*18651*42	WSHD	06/23/2020	94.33	45.63
1040*18651*43	WSHD	06/09/2020	94.33	45.63
1093*18651*21	WSHD	06/06/2020	25.00	25.00
1093*18651*22	WSHD	06/08/2020	46.24	22.94
1093*18651*23	WSHD	06/25/2020	159.23	75.68
1095*18651*17	WSHD	06/25/2020	11.00	11.00
1095*18651*18	WSHD	06/19/2020	13.30	7.75
1095*18651*19	WSHD	06/25/2020	48.61	24.12
1115*18651*10	WSHD	06/03/2020	49.84	37.83
1115*18651*11	WSHD	06/03/2020	88.55	42.93
1115*18651*12	WSHD	06/03/2020	359.95	227.54
1157*18651*9	WSHD	06/26/2020	38.81	28.33
1157*18651*10	WSHD	06/04/2020	32.00	32.00
1157*18651*11	WSHD	06/26/2020	53.12	26.35
1158*18651*6	WSHD	06/26/2020	14.85	14.85
1158*18651*7	WSHD	06/26/2020	43.07	21.41
1160*18651*8	WSHD	06/10/2020	99.45	48.00
1160*18651*9	WSHD	06/10/2020	166.87	79.21
1160*18651*10	WSHD	06/10/2020	1,042.65	484.67
1169*18651*7	WSHD	06/19/2020	15.00	14.79
1169*18651*8	WSHD	06/03/2020	16.88	16.88
1169*18651*9	WSHD	06/19/2020	20.00	20.00
1169*18651*10	WSHD	06/03/2020	58.31	58.31
1169*18651*11	WSHD	06/03/2020	47.05	47.05
1177*18651*2	WSHD	06/12/2020	76.72	39.85
1181*18651*2	WSHD	06/06/2020	13.04	7.64
1181*18651*3	WSHD	06/06/2020	15.21	8.58
1181*18651*4	WSHD	06/06/2020	15.95	15.95
1181*18651*5	WSHD	06/06/2020	22.21	22.21
1181*18651*6	WSHD	06/06/2020	28.97	28.97
1181*18651*7	WSHD	06/11/2020	27.73	14.79
1181*18651*8	WSHD	06/06/2020	41.62	20.73
1185*18651*1	WSHD	06/26/2020	17.44	17.44

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 06/20/20-06/20/20

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

Vendor #: 18651

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1185*18651*2	WSHD	06/26/2020	16.45	16.45
1185*18651*3	WSHD	06/26/2020	28.97	28.97
1185*18651*4	WSHD	06/19/2020	40.85	20.36
1185*18651*5	WSHD	06/19/2020	54.29	26.93
2942*18651*4	WSHD	06/02/2020	150.16	150.16
3364*18651*2	WSHD	06/26/2020	11.00	11.00
3364*18651*3	WSHD	06/26/2020	14.85	14.85
3364*18651*4	WSHD	06/26/2020	24.00	24.00
3364*18651*5	WSHD	06/26/2020	22.87	22.87
3364*18651*6	WSHD	06/26/2020	23.62	12.76
3364*18651*7	WSHD	06/26/2020	42.61	21.19
45 invoices, 45 line items			3,354.67	2,003.41
Grand Totals			3,354.67	2,003.41

45 total invoices
45 total line items

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GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/05/20-06/05/20

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

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	32,714.25
	Expenditures	32,714.25
	Reimb/Adjustments	
	Grand Total	32,714.25

13 total invoices

GL Totals Detail
Invoice #

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1040*63614*22	WSHD	05/11/2020	323.00	80.75
1040*63614*23	WSHD	05/04/2020	523.00	0.00
1065*63614*3	WSHD	05/05/2020	4,208.00	1,052.00
1115*63614*4	WSHD	05/11/2020	2,655.00	663.75
1128*63614*6	WSHD	05/06/2020	200.00	50.00
1128*63614*7	WSHD	05/20/2020	19,112.20	5,130.86
1137*63614*20	WSHD	05/06/2020	12,064.44	3,016.11
1137*63614*21	WSHD	05/04/2020	274.00	68.50
1137*63614*22	WSHD	05/22/2020	274.00	68.50
1173*63614*2	WSHD	05/14/2020	100,567.19	22,583.78
1177*63614*2	WSHD	04/27/2020	3,183.00	0.00
1177*63614*3	WSHD	04/27/2020	161.00	0.00
1177*63614*4	WSHD	04/27/2020	1,098.00	0.00
13 invoices, 13 line items		***	144,642.83	32,714.25
Grand Totals			144,642.83	32,714.25

13 total invoices
 13 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/05/20-06/05/20

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

Vendor #: 63615
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	7,757.40
Expenditures		7,757.40
Reimb/Adjustments		
Grand Total		7,757.40

36 total invoices

GL Totals Detail
Invoice #

GL #	Date in	Amt Billed	Amt Paid
1040*63615*19	05/04/2020	23.00	0.00
1040*63615*20	04/24/2020	55.00	0.00
1040*63615*21	04/24/2020	63.00	0.00
1040*63615*22	05/04/2020	183.00	39.92
1040*63615*23	05/11/2020	183.00	39.92
1044*63615*1	05/26/2020	24.00	0.00
1044*63615*2	05/27/2020	158.00	0.00
1044*63615*3	05/27/2020	148.00	0.00
1044*63615*3	05/27/2020	73.00	0.00
1065*63615*4	05/18/2020	188.00	48.32
1065*63615*5	05/05/2020	73.00	26.94
1081*63615*20	05/13/2020	183.00	39.92
1093*63615*10	05/18/2020	110.00	30.62
1107*63615*7	04/13/2020	110.00	26.57
1115*63615*3	05/11/2020	158.00	58.06
1128*63615*6	05/20/2020	800.00	445.57
1128*63615*7	05/20/2020	420.00	210.00
1131*63615*10	04/22/2020	415.00	0.00
1134*63615*3	05/06/2020	415.00	95.54
1137*63615*20	05/06/2020	800.00	510.25
1137*63615*21	05/06/2020	279.00	106.80
1137*63615*21	05/06/2020	108.00	33.36
1137*63615*22	05/06/2020	420.00	210.00
1137*63615*23	05/26/2020	560.00	355.74
1137*63615*24	05/26/2020	294.00	147.00
1144*63615*7	04/20/2020	273.00	65.29
1158*63615*1	04/20/2020	273.00	65.29
1173*63615*2	05/14/2020	3,120.00	2,037.42
1173*63615*2	05/14/2020	128.00	33.27
1173*63615*3	05/14/2020	23.00	6.44
1173*63615*4	05/14/2020	20.00	5.00
1173*63615*5	05/14/2020	4,648.00	1,301.44
1173*63615*5	05/14/2020	2,803.00	1,026.46
1173*63615*5	05/14/2020	394.00	0.00

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GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 06/05/20-06/05/20

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

Vendor #: 63615
NPI: 1942241146

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1173*63615*5	WSHD	05/14/2020	1,920.00	537.60
1173*63615*5	WSHD	05/14/2020	221.00	0.00
1173*63615*6	WSHD	05/15/2020	30.00	7.50
1177*63615*2	WSHD	04/27/2020	63.00	0.00
1177*63615*3	WSHD	04/23/2020	415.00	0.00
1177*63615*4	WSHD	04/27/2020	103.00	0.00
1177*63615*5	WSHD	04/16/2020	415.00	95.54
2815*63615*2	WSHD	05/05/2020	415.00	95.54
2815*63615*3	WSHD	05/11/2020	270.00	56.08
36 invoices, 43 line items			21,777.00	7,757.40
Grand Totals			21,777.00	7,757.40

36 total invoices
43 total line items

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

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

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

Invoice # 70182

RECEIVED
JUN 30 2020

Date: 7/1/2020

Terms: Net receipt of invoice

Professional services for the month of August 2020	1,109.00
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Total	\$1,109.00
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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

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	\$20.95
Principal Satisfied	\$129.19
Late Fees Paid	\$0.00

As of today, you've paid on your loans	\$16,965.83
Total Interest Satisfied	\$4,994.37
Total Principal Satisfied	\$11,963.96
Total Late Fees Paid	\$7.50

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/10/20-06/10/20

Penelope (Polly) Butler
 7750 Gladys, Suite B
 Beaumont, TX 77706

Vendor #: 13632

GL #	Description	Amount
WSHD	Wshd	170.00
	Expenditures	170.00
	Reimb/Adjustments	
	Grand Total	170.00

1 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC17*13632*11	WSHD	06/05/2020	85.00	85.00
YC17*13632*11	WSHD	06/19/2020	85.00	85.00
1 invoices, 2 line items	***		170.00	170.00
Grand Totals			170.00	170.00

1 total invoices
 2 total line items

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GL Totals
Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 06/10/20-06/10/20

Grace Nichols
4347 Phelan Blvd Suite 104
Beaumont, TX 77707

Vendor #: 63291

GL #	Description	Amount
WSHD	Wshd	340.00
	Expenditures	340.00
	Reimb/Adjustments	
	Grand Total	340.00

3 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC01*63291*5	WSHD	06/01/2020	85.00	85.00
YC13*63291*6	WSHD	06/22/2020	85.00	85.00
YC14*63291*10	WSHD	06/08/2020	85.00	85.00
YC14*63291*10	WSHD	06/23/2020	85.00	85.00
3 invoices, 4 line items	***		340.00	340.00

Grand Totals

340.00

340.00

3 total invoices

4 total line items

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 06/15/20-06/15/20

Barrier Reef Emergency Physician
 Po Box 98694
 Las Vegas, NV 89193

Vendor #: 90001
 NPI: 1275761512

GL #	Description	Amount
WSHD	Wshd	118.78
	Expenditures	118.78
	Reimb/Adjustments	
	Grand Total	118.78

1 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1065*90001*1	WSHD	05/05/2020	2,374.00	118.78
1 invoices, 1 line items	***		2,374.00	118.78
Grand Totals			2,374.00	118.78

1 total invoices

1 total line items

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

July 14, 2020

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

Re: Winnie Stowell Hospital District; Billable Invoice for April 2020 Time Entries less Retainer; Our File No. 87250.

Dear President Murrell,

Attached, please find Benckenstein & Oxford's monthly time entry invoice for April 2020. This invoice is for \$24,575.00 and the amount due is \$23,575.00 after reducing the invoice by \$1,000.00 for the monthly retainer already paid.

Please recall, during the month of April we had to spend a considerable amount of time working with the managers of the nursing homes sorting out the Covid-19 Emergency Relief Funding. In addition, we had to gather information and prepare addendums to the Management Agreements to require them to agree to the terms of the Covid-19 Emergency Relief funds.

Will you please review and let me know if there are any questions? If not, we would appreciate your payment of this invoice in the amount of \$23,575.00 representing the balance owed for April 2020.

With best wishes, I am

Sincerely,

BENCKENSTEIN & OXFORD, L.L.P.

By: 

Hubert Oxford, IV

Enclosure

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300
Beaumont, TX 77706

July 14, 2020

INVOICE #: 49802 **HOIV**
Billed through: April 30, 2020
Client/Matter #: WSHD 87250

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

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

03/12/20	HOIV	Exchanged eight (8) e-mails with LTC Group and Managers regarding the WSHD Y2 Adjustment 1a and confirmation that the reconciliation of the Adjustment was correct.	0.80 hrs
04/01/20	HOIV	Read, reviewed, and forwarded five (5) e-mails from TORCH regarding COVID-19 and funding for Hospitals; participated in multiple conference calls with Staff, New Light, and Hospital Officials regarding the Hospital's plan of action and potential grant awards.	2.70 hrs
04/01/20	HOIV	Read and reviewed documents prepared by Indigent Care Director for new ICAP clients; revised documents; and then participated in a conference call with Indigent Care Director regarding the same.	1.40 hrs
04/02/20	HOIV	Read and reviewed proposed changes to the Amended and Restated Indigent Care Agreement; and the Exchanged four (4) e-mails and two (2) conference calls with Counsel for the Hospital regarding Agreement.	1.30 hrs
04/02/20	HOIV	Exchanged four (4) e-mails with staff regarding Special Purpose District Reporting deadline.	0.40 hrs
04/02/20	HOIV	Prepared e-mail to Board with proposed changes to Amended and Restated Indigent Care Agreement and comments concerning upcoming meeting.	0.70 hrs
04/02/20	HOIV	Exchanged four (4) e-mails with Hospital staff confirming their participation in CMS call with rural hospitals.	0.30 hrs
04/02/20	HOIV	Prepared Board binder for Special Meeting and drafted notes within Agenda to assist the Board members with additional information for each agenda item.	2.60 hrs
04/02/20	HOIV	Conference call with HMG regarding their request to partner in the Not on My Watch program.	0.60 hrs
04/02/20	HOIV	Received and reviewed proposal for Not on My Watch Program.	0.70 hrs
04/03/20	HOIV	Prepared for and attended Special Meeting by participating in Zoom call.	1.80 hrs
04/03/20	HOIV	Exchanged four (4) e-mails with counsel for the Hospital regarding changes to the Amended and Restated Indigent Care Agreement discussed during the Special Meeting.	0.40 hrs

04/06/20	HOIV	Prepared for and attended Finance Committee meeting.	1.70 hrs
04/06/20	HOIV	Prepared and exchanged four (4) e-mails with Hospital staff regarding requested information by the Finance Committee; and participated in conference call with Hospital staff to discuss the same.	1.10 hrs
04/06/20	HOIV	Participated in multiple conference calls with Board President, Hospital staff, and District staff regarding grant application for equipment.	1.60 hrs
04/06/20	HOIV	Exchanged three (3) e-mails and a conference call with Patricia Rivera with the State Office of Rural Health regarding the District's application for equipment.	0.80 hrs
04/07/20	HOIV	Received and reviewed e-mail from LTC regarding modified IGT time and amounts for the first half of QIPP 4 and participated in conference call with New Light regarding the same as well as savings to the District.	0.90 hrs
04/07/20	HOIV	Read and reviewed e-mail from LTC and spreadsheet attached regarding reconciliation of QIPP funds.	0.60 hrs
04/07/20	HOIV	Researched grant opportunities and grant criteria resulting from Covid-19 and provided research to staff and the Hospital.	2.60 hrs
04/07/20	HOIV	Read, reviewed, and responded to seven (7) e-mails and participated in two(2) conference calls with LTC regarding the increase in Pool Size for QIPP Year 4 and the financial impacts on the District.	1.50 hrs
04/08/20	HOIV	Prepared calendar for November 3, 2020 General Election.	3.50 hrs
04/08/20	HOIV	Prepared agenda with detailed notes for April 15, 2020 Regular Meeting with narratives for upcoming QIPP and 1115 Waiver program IGTs and election matters.	1.70 hrs
04/08/20	HOIV	Read and reviewed e-mail correspondence regarding District's D&O policy renewal and began researching the prior year's analysis.	0.60 hrs
04/08/20	HOIV	Exchanged twenty-eight (28) e-mails with Office of Rural Affairs and Hospital Staff regarding Covid-19 funding opportunities.	2.00 hrs
04/08/20	HOIV	Conference call with staff and Ronnie Husbands to discuss technology for new facility; and exchanged four (4) e-mails after the call regarding the same.	0.60 hrs
04/09/20	HOIV	Prepared e-mail to Managers regarding participation in Sec. 3719. Expansion of the Medicare Hospital Accelerated Payment Program; and exchanged nine (9) e-mails with Managers regarding the same.	1.30 hrs
04/09/20	HOIV	Prepared e-mail to Hospital advising of the Main Street Lending Program and participated in a conference call with Hospital regarding the same.	0.40 hrs
04/09/20	HOIV	Began preparing draft of set of minutes for the March 24, 2020 Regular Meeting and the April 3, 2020 Special Meeting.	4.80 hrs
04/09/20	HOIV	Prepared e-mail to Managers conveying information received by LTC regarding Covid-19 grant funding opportunities.	0.30 hrs
04/10/20	HOIV	Worked with staff, Managers, and LTC Group to assist in identifying they	3.70 hrs

		payment of the Round 1 Covid-19 Act Provider Relief funds by researching payment criteris; participating in five (5) conference calls and exchanging fourteen (14) e-mails.	
04/11/20	HOIV	Continued drafting Minutes of the March 24, 2020 Regular Meeting and Special Meeting and distributed to the Board and staff to review.	3.80 hrs
04/13/20	HOIV	Worked on budget for D&O Insurance submission and prepared e-mail to staff and insurance agent requesting that the budgeted funds in the spreadsheet be used.	1.50 hrs
04/13/20	HOIV	Received updated QIPP Model Spreadsheet that takes into account the increase in pool size to \$1.2 billion and prepared a summary for the upcoming meeting.	1.60 hrs
04/13/20	HOIV	Made revisions to proposed UTMB Interlocal Agreement and returned to Indigent Care Director for review.	0.70 hrs
04/13/20	HOIV	Worked with the Indigent Care Director to review report and graphs for meeting and shorten them.	0.80 hrs
04/14/20	HOIV	Annotated the Agenda with summaries for each item to assist Board members by providing additional background information for each matter to be discussed.	2.10 hrs
04/15/20	HOIV	Prepared for and attended via Zoom the District's Regular Meeting on April 15, 2020.	2.30 hrs
04/15/20	HOIV	Worked with CPA to prepare budget amendments that need to be adopted at the upcoming Regular Meeting.	1.20 hrs
04/15/20	HOIV	Worked with staff to update financial spreadsheet, reconcile Interbank Account; and to prepare Board Binder.	2.70 hrs
04/15/20	HOIV	Read, reviewed, and modified spreadsheet prepared by Hospital for their monthly statistics and distributed to Indigent Care Director for review.	0.40 hrs
04/15/20	HOIV	Received QIPP Year 3, 2nd Quarter Scorecard and prepared a summary for the Board in anticipation of upcoming meeting.	1.20 hrs
04/15/20	HOIV	Worked with staff and LTC Group by exchanging eight (8) e-mails to verify that all applications for QIPP Year 4 have been timely filed.	0.80 hrs
04/16/20	HOIV	Conference call with LTC Group to discuss upcoming IGT strategy for QIPP Year 4, 1st IGT and 2nd IGT and prepared e-mail to LTC Group to confirm the strategy.	0.80 hrs
04/16/20	HOIV	Drafted e-mail to Board advising of discussions with the District's nursing home lenders.	0.30 hrs
04/16/20	HOIV	Received and reviewed IGT Commitment spreadsheet for Uncompensated Care payment and responded to Hospital to verify IGT increased from initial assessment.	0.50 hrs
04/16/20	HOIV	Worked with staff, LTC and Managers, to resolve Covid-19 Relief Fund payment and needed amendments to Management Agreement to confirm	4.70 hrs

Manager's intent to abide by the Relief Fund rules by exchanging four (4) e-mails with the various parties and exchanged fourteen (14) e-mails regarding the same.

04/17/20	HOIV	Gathered information on each nursing home to account for legal name, status of Management Agreements, identity of accounts receivable lenders, and identify of HUD lenders; created a spreadsheet to record this information; exchanged multiple conference calls with LTC Group and HMG regarding status of Care Relief Funds; researched conditions for receipt and expenditure of funds; and began preparing Addendum to Manager's Agreement to confirm funds will be spent as dictated by CMS.	6.00 hrs
04/17/20	HOIV	Worked with staff to gather information to file affidavit for Covid-19 Relief Funds.	0.80 hrs
04/20/20	HOIV	Continued verifying information for each nursing home to account for legal name, status of Management Agreements, identity of accounts receivable lenders, and identify of HUD lenders; updated spreadsheet to record this information; exchanged multiple conference calls with LTC Group and HMG regarding the reconciliation status of the Care Relief Funds; and began processing twenty-four (24) Addendums to Manager's Agreement to confirm funds will be spent as dictated by CMS.	6.50 hrs
04/20/20	HOIV	Prepared e-mail to staff and Board advising of upcoming IGT amounts for Uncompensated Care Program.	0.90 hrs
04/21/20	HOIV	Read and reviewed e-mail from TORCH and corresponding Order from the Governor and forwarded to Hospital for thoughts on the impact of Order to Hospital facilities.	0.60 hrs
04/21/20	HOIV	Exchanged sixteen (16) e-mails with Managers or Manager's attorneys and six (6) conference calls to discuss Addendums to Management Agreements for Covid-19; accuracy of master spreadsheet; and status of prior approval with lenders and landlords before executing the Addendums.	2.80 hrs
04/22/20	HOIV	Participated in multiple conference calls with LTC, staff, and Managers regarding the status of payments of Covid-19 Relief Funds.	1.60 hrs
04/23/20	HOIV	Prepared e-mail to Board regarding D&O Insurance and exchanged four (4) e-mails between Insurance Agent and Staff regarding the same.	0.60 hrs
04/23/20	HOIV	Read and reviewed Motions for Summary Judgment on Governmental Immunity and responded to six e-mails with HMG and LTC Group regarding the same.	0.80 hrs
04/23/20	HOIV	Read, reviewed, and exchanged sixteen (16) e-mails with staff, LTC, and Managers regarding Trough 2 for the Covid-19 payments and participated in multiple conference calls regarding the same.	2.70 hrs
04/24/20	HOIV	Received subrogation request regarding Donna Gore; participated in conference call with Mrs. Gore's Attorney; and prepared subrogation request to Mrs. Gore's attorney demanding payment of outstanding District expenses.	2.30 hrs
04/24/20	HOIV	Participated in four (4) conference calls with LTC, Staff, and HMG to determine ninety percent of the amount due for Covid-19 funds and established a payment schedule.	0.80 hrs

04/24/20 HOIV Prepared e-mail to D&O Insurance Agent and Staff to explain sales tax proceeds and nursing home status. 0.80 hrs

04/30/20 HOIV Received Insurance for Indigents Analysis by Indigent Care Director; began analysis of the spreadsheet and modified spreadsheet; and then submitted an extensive e-mail back to Indigent Care Director explaining the findings and analysis. 2.30 hrs

Total fees for this matter \$24,575.00

BILLING SUMMARY:

Oxford, IV Hubert 98.30 hrs @ \$250.00 /hr \$24,575.00

TOTAL FEES \$24,575.00

TOTAL CHARGES FOR THIS INVOICE \$24,575.00

RETAINER \$1,000.00 CR

TOTAL BALANCE NOW DUE \$23,575.00

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

July 13, 2020

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

Re: Invoice and Draft Minutes for the Regular Meeting on June 17, 2020; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft minutes for the Regular Meeting on June 17, 2020. After you have had a chance to review these minutes, please let me know if there are any changes that need to be made.

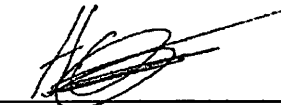
Also, please allow this letter to serve as a *partial invoice* for \$1,000.00 representing the retainer for work performed in June 2020. We would request that you put this invoice in line for payment at the July 15, 2020 Regular Meeting and we will give the District credit for the \$1,000.00 payment when we submit the hourly invoice for June 2020.

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

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

RECEIVED
JUL 13 2020

07/13/2020

Invoice # 22154

Professional Services

	<u>Amount</u>
07/13/20 6-8-20 Review and analyze various spreadsheets & assumptions. 1.00 Hrs.	2,312.50
6-9-20 Continue review and compare with books. 2.50 Hrs.	
6-10-20 Budget analysis, review expected revenue form QIPP and amount of IGT. 2.50 Hrs.	
6-11-20 Assist on Quickbooks, Review book balances, make adjustments & run preliminary reports. Determine necessary budget amendments. 4.00 Hrs.	
6-16-20 Finalize proposed budget amendments, review bank recs & balances. 4.00 Hrs.	
6-17-20 Meeting prep, review board packet & attend meeting. 4.50 Hrs.	
Total 18.5 Hrs. @ \$125.00 = \$2,312.50	

For professional services rendered \$2,312.50

Balance due \$2,312.50

Invoices Due Upon Receipt

Invoice Number: INV796353

Invoice Date: 07/07/2020

RECEIVED
JUL - 8 2020

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

Customer: Winnie - Stowell Hospital District
520 Broadway
Winnie, TX 77665

Account No	Payment Terms	Due Date	Invoice Total	Balance Due	
3A0064	Net 30	08/06/2020	\$36.30	\$36.30	
Invoice Remarks					
Contract Number	Contact	Contract Amount	P.O. Number	Start Date	Exp. Date
7987PTM-01		\$36.30		07/05/2019	10/04/2024
Contract Remarks					

Summary:

Contract base rate charge for this billing period	\$0.00
Contract overage charge for the 04/05/2020 to 07/04/2020 overage period	\$36.30 **
	\$36.30

**See overage details below

Detail:

Equipment included under this contract

HP/E57540dn

Number	Serial Number	Base Adj.	Location
3A4114	MXBCM5M00N	\$0.00	Winnie - Stowell Hospital District 520 Broadway Winnie, TX 77665

Meter Type	Meter Group	Begin Meter	End Meter	Credits	Total	Covered	Billable	Rate	Overage
Color	3A4114 - Color	899	1,118		219	300	0	\$0.075000	\$0.00
B/W	3A4114 - B/W	32,998	45,298		12,300	9,000	3,300	\$0.011000	\$36.30
									\$36.30



Log in to sign up at function-4.com/paperless

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

3A0064	INV796353
Invoice SubTotal	\$36.30
Tax:	\$0.00
Invoice Total	\$36.30
Balance Due:	\$36.30

Technology Solutions of Texas,
L.L.C.

Invoice 1465

TECHNOLOGY
SOLUTIONS-TX

5725 Frost St
Beaumont, TX 77706
4095545953
ronnie@techsol-tx.com
<http://www.techsol-tx.com>

BILL TO

Sherrie Norris
Winnie Stowell Hospital District
538 Broadway
Winnie, TX 77665
United States

DATE	PLEASE PAY	DUE DATE
07/14/2020	\$75.00	07/15/2020

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	IT Services:MSP-Dsk MSP Support per Desktop	3	25.00	75.00

TOTAL DUE **\$75.00**

THANK YOU.

Yard Service Invoice

Felipe Ojeda

Invoice# 10002

DATE July 14, 2020

558 W.LeBlanc Rd
Winnie, TX 77665
Phone: (409) 466-7105

RECEIVED

JUL 14 2020

Property Location:
Winnie-Stowell Hospital District
520 Broadway
Winnie, TX 77665

Description	AMOUNT
Yard Maintenance completed 06/16/20	\$ 125.00
Yard Maintenance completed 06/30/20	\$ 125.00
Trash Service	\$ 50.00
TOTAL	\$ 300.00

If you have any questions concerning this quotation, Contact Felipe Ojeda, (409) 466-7105

I LOOK FORWARD TO PROVIDING YARD SERVICES FOR YOUR BUSINESS!

RECEIVED

JUL 13 2020

DATE 6-16-2020 NO. 08018585

CUSTOMER'S ORDER NO.						
NAME Graciela Chavez						
ADDRESS 220 8TH ST						
CITY, STATE, ZIP Winnie TX 77665						
SOLD BY	CASH	C.O.D	CHARGE	CNACCT	MOSE.RETD	PAID OUT
			<input checked="" type="checkbox"/>			
QUAN.	DESCRIPTION	PRICE	AMOUNT			
1	OFFICE					
2	cleaning	\$ 100.00				
3						
4	June 2. 2020					
5						
6	June 16 2020					
7						
8						
9	Total	\$ 100.00				
10						
11						
12						
RECEIVED BY						

KEEP THIS SLIP FOR REFERENCE

TRITON

INVOICE

RECEIVED
JUL 10 2020

BILL TO

Re: HB 3834 Training - 2020
Winnie-Stowell Hospital District
520 Broadway

INVOICE # 2358**DATE** 07/09/2020**DUE DATE** 08/08/2020**TERMS** Net 30**P.O. NUMBER**

Winnie-Stowell Hospital Distric

DESCRIPTION	QTY	RATE	AMOUNT
HB3834 Cyber Security Awareness Training Sherrie Norris Patriicia Ojeda	2	100.00	200.00

Delinquent bills will be assessed a \$25 charge if payment is not received within thirty (30) days of the due date. If any amount remains delinquent for sixty (60) days after its due date, an additional five (5) percent penalty will be added for each month of delinquency.

BALANCE DUE**\$200.00**

Triton Consulting Group, LLC
3 Grogans Park Dr, Suite 205
The Woodlands, TX 77380
(281) 766-4265

Exhibit “C”

WSHD Indigent Care Director Report
2020 YTD Expenditures Worksheet

May				
Indigent Clients:	Indigent Clients: 53			
Youth Counseling:	Youth Counseling: 11			
SUMMARY BY FACILITY	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$50,905.00	\$20,871.05	70%	\$20,871.05
Pharmacy Total	\$10,437.87	\$8,164.05	27.46%	\$8,164.05
UTMB Total	\$4,342.00	\$274.54	0.92%	\$274.54
Non-Contract Emergency Services	\$0.00	\$0.00	0.00%	\$0.00
Contract C-Pap Provider	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$425.00	\$425.00	1.43%	\$425.00
Grand Totals	\$66,109.87	\$29,734.64		\$29,734.64

June				
Indigent Clients:	Indigent Clients: 51			
Youth Counseling:	Youth Counseling: 12			
SUMMARY BY FACILITY	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Winnie Community Hospital	\$56,612.00	\$23,210.92	33.02%	\$23,210.92
Pharmacy Total	\$7,878.54	\$5,991.45	8.52%	\$5,991.45
UTMB Total	\$166,419.83	\$40,471.40	57.57%	\$40,471.40
Non-Contract Emergency Services	\$3,047.05	\$118.78	0.17%	\$118.78
Contract C-Pap Provider	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$510.00	\$510.00	0.73%	\$510.00
Grand Totals	\$234,467.42	\$70,302.55		\$70,302.55

Year to Date				
Clients Enrolled:	88	Average Clients:	64	
YC Enrolled:	14	Average Clients:	10	
Billed Amount	Medicaid Rate*	% of Services	Actually Paid	
WCH LUMP SUM Balance Tracking				
LUMP SUM = \$196,699.35 -YTD MCD Rate = \$65,359.38				
\$320,907.57	\$131,339.97	49.36%	\$131,339.97	
\$55,483.46	\$44,991.51	16.91%	\$44,991.51	
\$365,861.24	\$85,758.20	32.23%	\$85,758.20	
\$3,047.05	\$118.78	0.04%	\$118.78	
\$400.00	\$400.00	0.15%	\$400.00	
\$3,485.00	\$3,485.00	1.31%	\$3,485.00	
\$749,184.32	\$266,093.46	100%	\$266,093.46	

SUMMARY BY PROVIDER	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Pharmacy	\$10,437.87	\$8,164.05	27.46%	\$8,164.05
Brookshire Brothers Pharmacy Corp	\$7,090.85	\$6,335.13	21.31%	\$6,335.13
Wilcox Pharmacy	\$3,347.02	\$1,828.92	6.15%	\$1,828.92
WCH	\$50,905.00	\$20,871.05	70.19%	\$20,871.05
WCH Clinic	\$9,844.00	\$4,036.04	13.57%	\$4,036.04
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$11,790.00	\$4,833.90	16.26%	\$4,833.90
WCH Lab/Xray	\$0.00	\$0.00	0.00%	\$0.00
WCH CT Scan	\$5,435.00	\$2,228.35	7.49%	\$2,228.35
WCH Labs	\$11,362.00	\$4,658.42	15.67%	\$4,658.42
WCH Xray	\$10,584.00	\$4,339.44	14.59%	\$4,339.44
WCH Lab/Xray Reading	\$1,890.00	\$774.90	2.61%	\$774.90
WCH Inpatient	\$0.00	\$0.00	0.00%	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00
UTMB	\$4,342.00	\$274.54	\$0.01	\$274.54
UTMB Physician Services	\$1,687.00	\$227.26	0.76%	\$227.26
UTMB Anesthesia	\$0.00	\$0.00	0.00%	\$0.00
UTMB In-Patient	\$0.00	\$0.00	0.00%	\$0.00
UTMB Outpatient	\$197.00	\$47.28	0.16%	\$47.28
UTMB Lab&Xray	\$2,458.00	\$0.00	0.00%	\$0.00
Non-Contract Emergency Services	\$0.00	\$0.00	\$0.00	\$0.00
UTMB ER Physician-Barrier Reef	\$0.00	\$0.00	0.00%	\$0.00
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$425.00	\$425.00	\$0.01	\$425.00
Grace Nichols	\$170.00	\$170.00	0.57%	\$170.00
Penelope Butler	\$255.00	\$255.00	0.86%	\$255.00
Alliance Medical Supply (C-PAP)	\$0.00	\$0.00	0.00%	\$0.00
Grant Totals	\$66,109.87	\$29,734.64		\$29,734.64

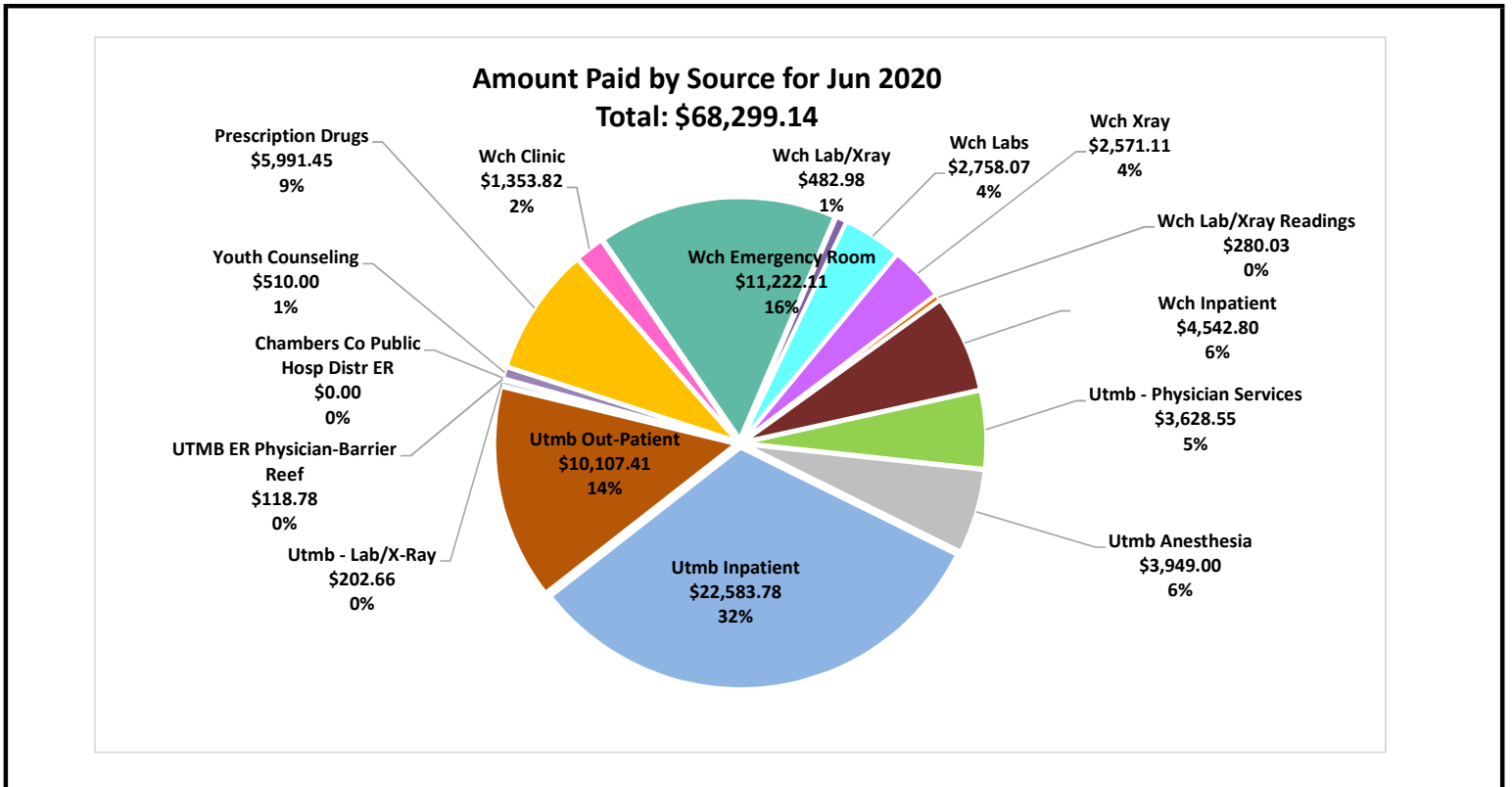
SUMMARY BY PROVIDER	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Pharmacy	\$7,878.54	\$5,991.45	8.52%	\$5,991.45
Brookshire Brothers Pharmacy Corp	\$4,523.87	\$3,988.04	5.67%	\$3,988.04
Wilcox Pharmacy	\$3,354.67	\$2,003.41	2.85%	\$2,003.41
WCH	\$56,612.00	\$23,210.92	33.02%	\$23,210.92
WCH Clinic	\$3,302.00	\$1,353.82	1.93%	\$1,353.82
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$27,371.00	\$11,222.11	15.96%	\$11,222.11
WCH Lab/Xray	\$1,178.00	\$482.98	0.69%	\$482.98
WCH CT Scan	\$0.00	\$0.00	0.00%	\$0.00
WCH Labs	\$6,727.00	\$2,758.07	3.92%	\$2,758.07
WCH Xray	\$6,271.00	\$2,571.11	3.66%	\$2,571.11
WCH Lab/Xray Reading	\$683.00	\$280.03	0.40%	\$280.03
WCH Inpatient	\$11,080.00	\$4,542.80	6.46%	\$4,542.80
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$0.00	\$0.00	0.00%	\$0.00
UTMB	\$166,419.83	\$40,471.40	57.57%	\$40,471.40
UTMB Physician Services	\$14,354.00	\$3,628.55	5.16%	\$3,628.55
UTMB Anesthesia	\$6,542.00	\$3,949.00	5.62%	\$3,949.00
UTMB In-Patient	\$100,567.19	\$22,583.78	32.12%	\$22,583.78
UTMB Outpatient	\$42,689.64	\$10,107.41	14.38%	\$10,107.41
UTMB Lab&Xray	\$2,267.00	\$202.66	0.29%	\$202.66
Non-Contract Emergency Services	\$3,047.05	\$118.78	0.17%	\$118.78
UTMB ER Physician-Barrier Reef	\$2,374.00	\$118.78	0.17%	\$118.78
Chambers Co Public Hosp Distr ER	\$673.05	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$510.00	\$510.00	0.73%	\$510.00
Grace Nichols	\$340.00	\$340.00	0.48%	\$340.00
Penelope Butler	\$170.00	\$170.00	0.24%	\$170.00
Alliance Medical Supply (C-PAP)	\$0.00	\$0.00	0.00%	\$0.00
Grant Totals	\$234,467.42	\$70,302.55		\$70,302.55

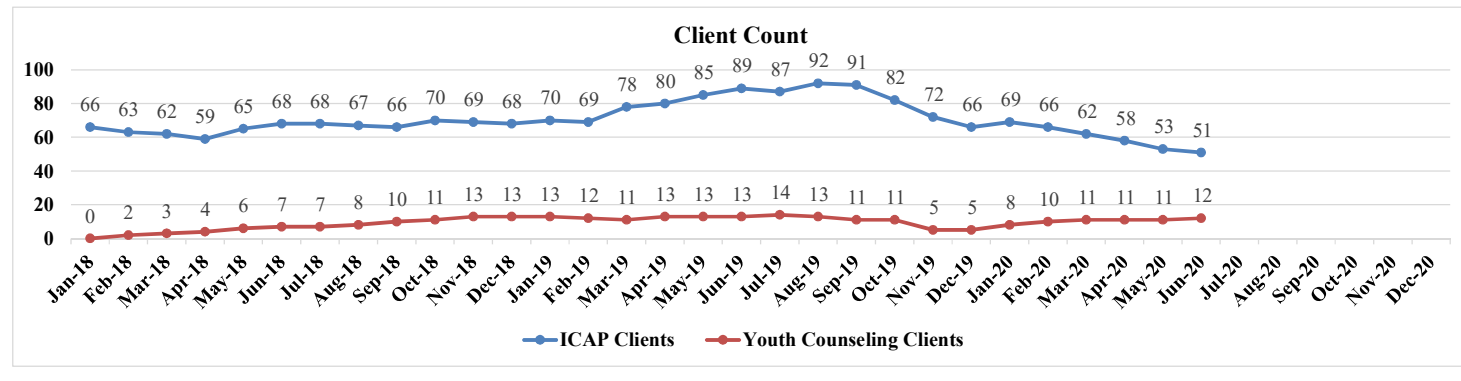
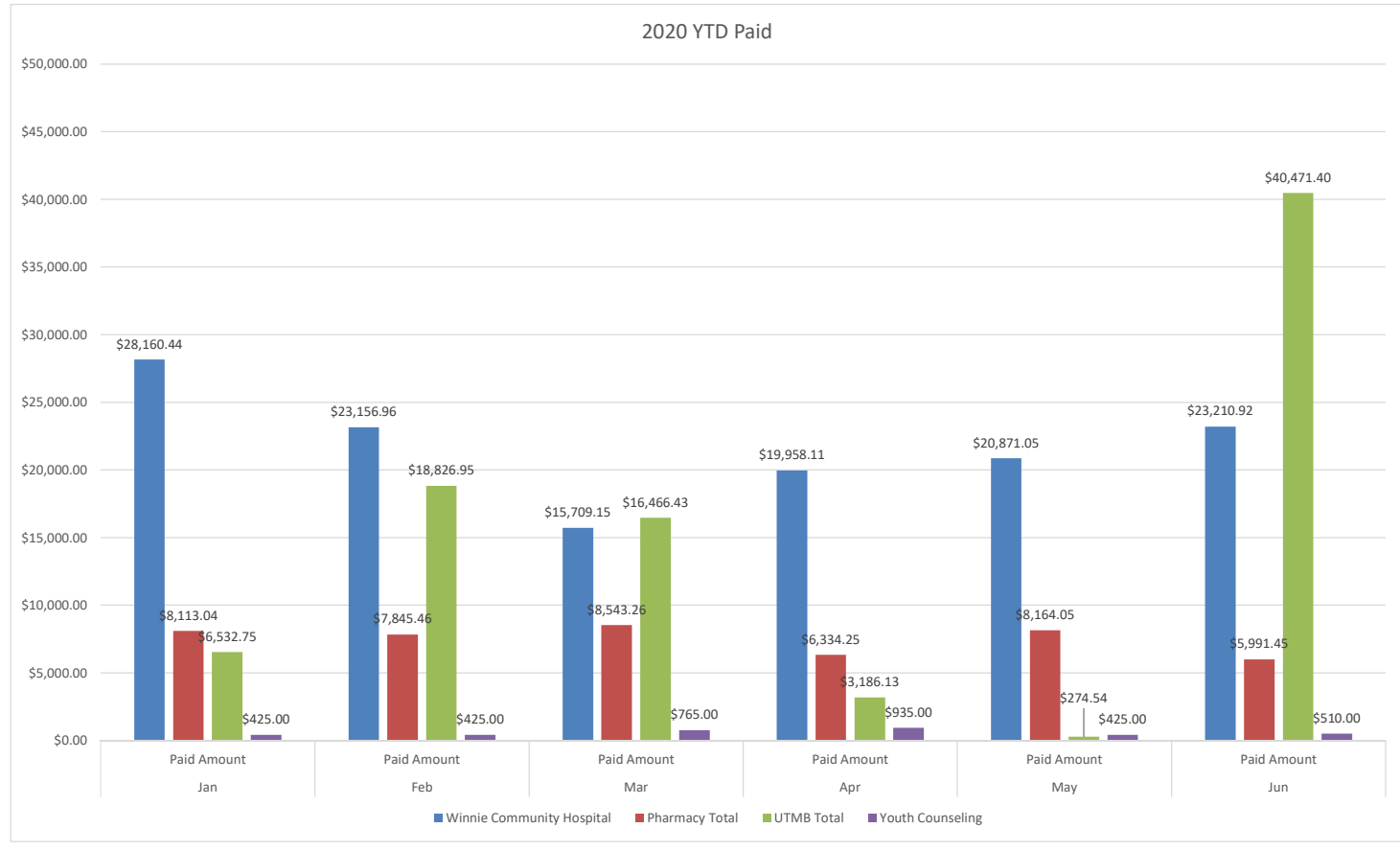
SUMMARY BY PROVIDER	Billed Amount	Medicaid Rate	% of Services	Actually Paid
Pharmacy	\$55,483.46	\$44,991.51	16.91%	\$44,991.51
Brookshire Brothers Pharmacy Corp	\$40,597.23	\$36,161.22	13.59%	\$36,161.22
Wilcox Pharmacy	\$14,886.23	\$8,830.29	3.32%	\$8,830.29
WCH	\$320,907.57	\$131,339.97	49.36%	\$131,339.97
WCH Clinic	\$34,951.17	\$14,179.03	5.33%	\$14,179.03
WCH Observation	\$0.00	\$0.00	0.00%	\$0.00
WCH ER	\$110,241.00	\$45,198.81	16.99%	\$45,198.81
WCH Lab/Xray	\$17,793.40	\$7,295.29	2.74%	\$7,295.29
WCH CT Scan	\$27,611.00	\$11,320.51	4.25%	\$11,320.51
WCH Labs	\$59,098.00	\$24,230.18	9.11%	\$24,230.18
WCH Xray	\$46,907.00	\$19,231.87	7.23%	\$19,231.87
WCH Lab/Xray Reading	\$8,892.00	\$3,564.54	1.34%	\$3,564.54
WCH Inpatient	\$11,080.00	\$4,542.80	1.71%	\$4,542.80
WCH Physical Therapy	\$0.00	\$0.00	0.00%	\$0.00
WCH Ultrasound	\$4,334.00	\$1,776.94	0.67%	\$1,776.94
UTMB	\$365,861.24	\$85,758.20	32.23%	\$85,758.20
UTMB Physician Services	\$42,168.00	\$7,957.92	2.99%	\$7,957.92
UTMB Anesthesia	\$11,530.00	\$6,618.08	2.49%	\$6,618.08
UTMB In-Patient	\$135,242.42	\$35,413.61	13.31%	\$35,413.61
UTMB Outpatient	\$171,007.82	\$35,517.77	13.35%	\$35,517.77
UTMB Lab&Xray	\$5,913.00	\$250.82	0.09%	\$250.82
Non-Contract Emergency Services	\$3,047.05	\$118.78	0.04%	\$118.78
UTMB ER Physician-Barrier Reef	\$2,374.00	\$118.78	0.04%	\$118.78
Chambers Co Public Hosp Distr ER	\$673.05	\$0.00	0.00%	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	0.00%	\$0.00
Youth Counseling	\$3,485.00	\$3,485.00	1.31%	\$3,485.00
Grace Nichols	\$1,955.00	\$1,955.00	0.73%	\$1,955.00
Penelope Butler	\$1,530.00	\$1,530.00	0.57%	\$1,530.00
Alliance Medical Supply (C-PAP)	\$400.00	\$400.00	0.15%	\$400.00
Grant Totals	\$749,184.32	\$266,093.46		\$266,093.46

WSHD Indigent Care Director Report Jun 2020 SOURCE CODE REPORT

Source Totals for Batch Dates 06/01/2020 through 06/30/2020 for All Vendors

Source Description	Amount Billed	Amount Paid	% of Total
02 Prescription Drugs	\$7,878.54	\$5,991.45	8.52%
21 Wch Clinic	\$3,302.00	\$1,353.82	1.93%
23 Wch Emergency Room	\$27,371.00	\$11,222.11	15.96%
25 Wch Lab/Xray	\$1,178.00	\$482.98	0.69%
27 Wch Labs	\$6,727.00	\$2,758.07	3.92%
28 Wch Xray	\$6,271.00	\$2,571.11	3.66%
44 Wch Lab/Xray Readings	\$683.00	\$280.03	0.40%
23 Wch Inpatient	\$11,080.00	\$4,542.80	6.46%
31 Utmb - Physician Services	\$14,354.00	\$3,628.55	5.16%
31-1 Utmb Anesthesia	\$6,542.00	\$3,949.00	5.62%
33 Utmb Inpatient	\$100,567.19	\$22,583.78	32.12%
34 Utmb Out-Patient	\$42,689.64	\$10,107.41	14.38%
38 Utmb - Lab/X-Ray	\$2,267.00	\$202.66	0.29%
34-1 UTMB ER Physician-Barrier Reef	\$2,374.00	\$118.78	0.17%
4 Chambers Co Public Hosp Distr ER	\$673.05	\$0.00	0.00%
39 Youth Counseling	\$510.00	\$510.00	0.73%
Expenditures/Reimbursements/Adjustments	\$234,467.42	\$70,302.55	0%
Grand Total	\$234,467.42	\$70,302.55	100%





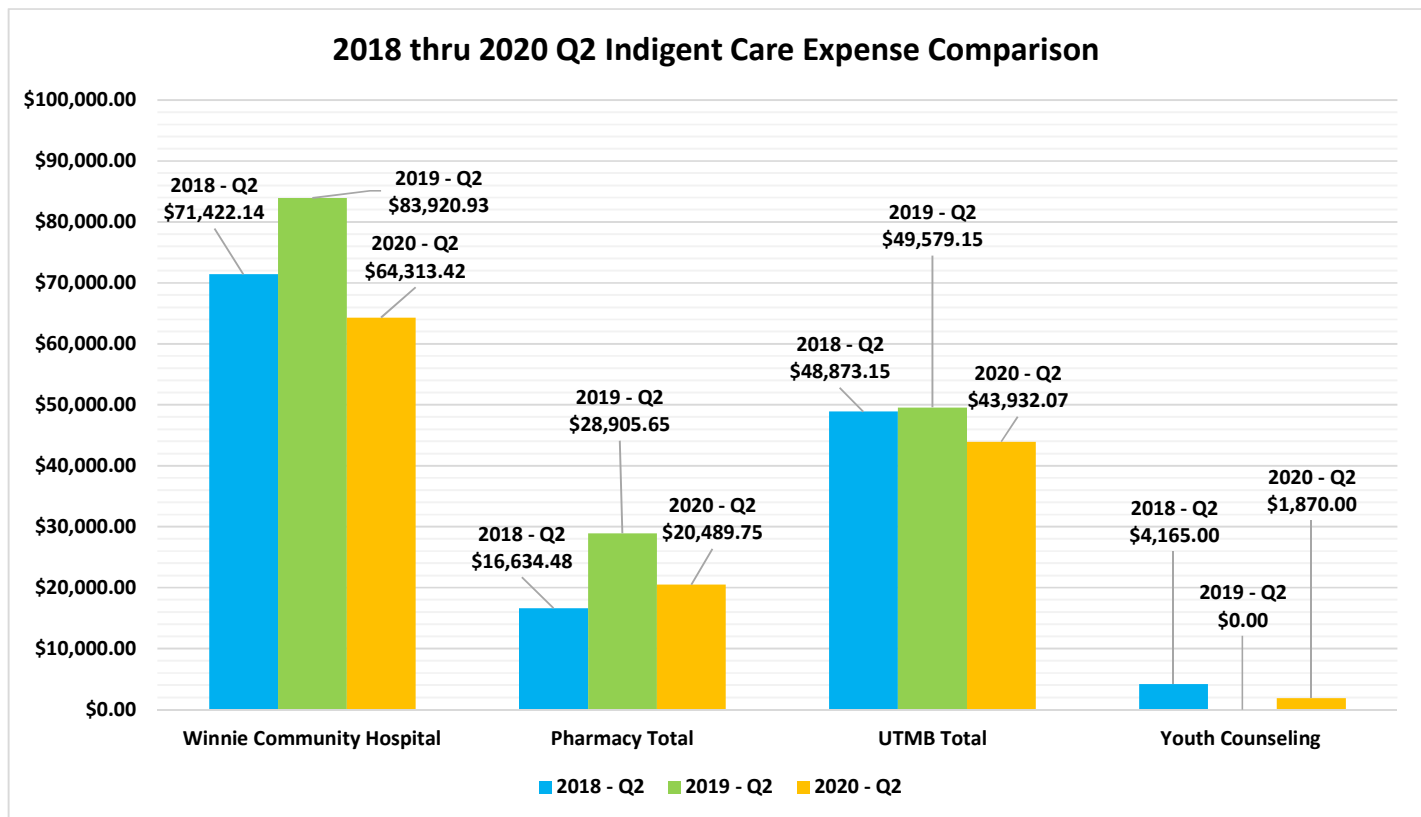
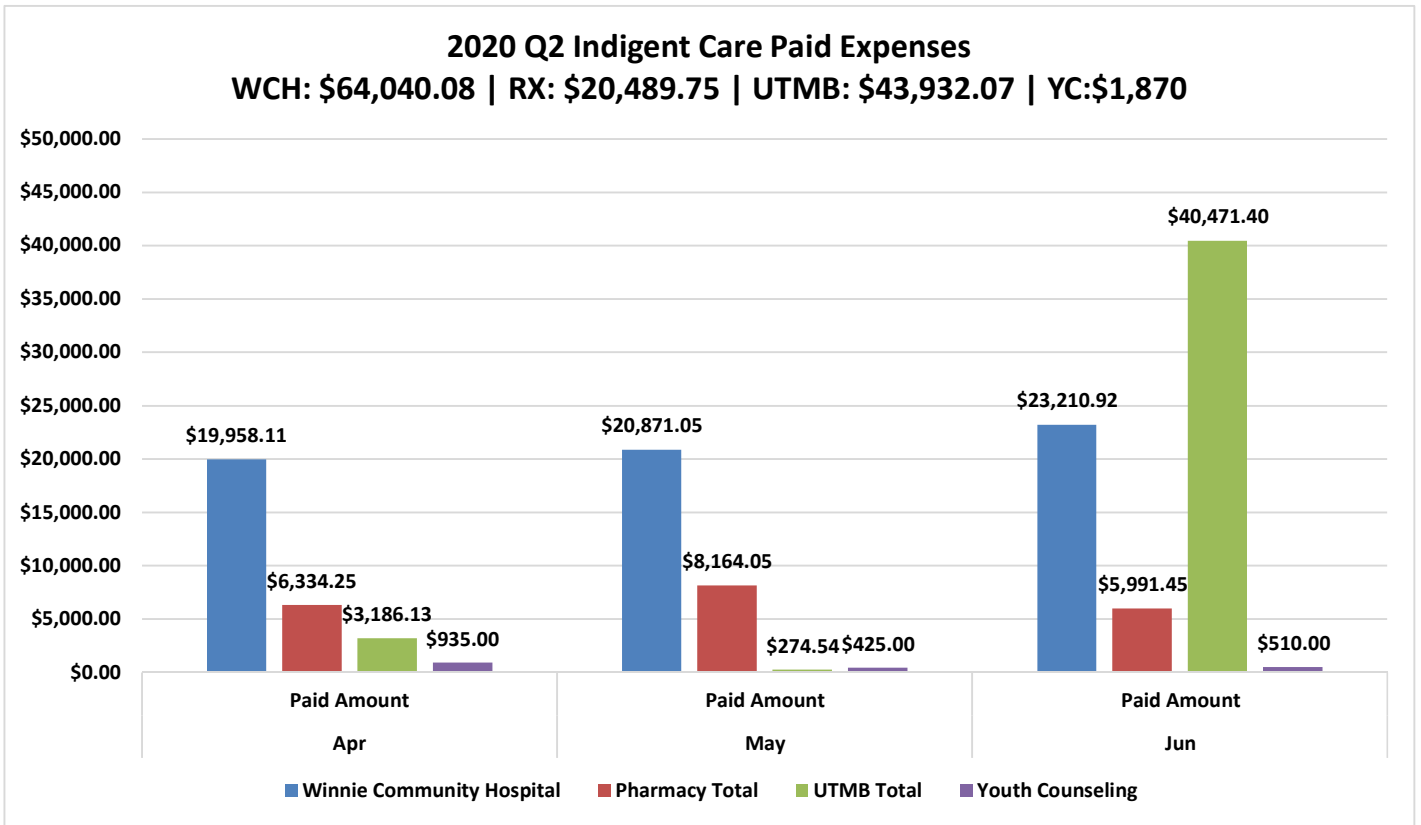


Exhibit “D”

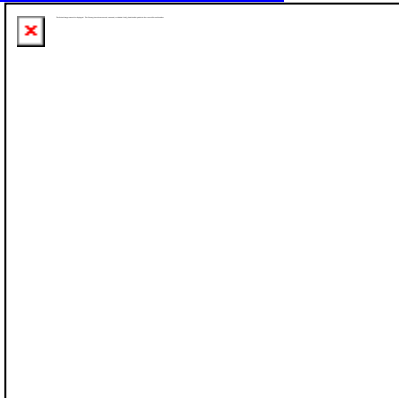
Hubert Oxford IV

From: Ridgaway, Christy <christy@eastchambers.net>
Sent: Monday, July 13, 2020 12:01 PM
To: Hubert Oxford IV; Scott Campbell; Sherrie Norris
Subject: Re: Attached Image

We have a board meeting today. I will do my best to get you something by Wednesday, but you may have to give them what I sent you for now.

Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
216 Champions Loop
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net



On Mon, Jul 13, 2020 at 11:47 AM Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

Christy,

I was just following up on this report. Our meeting is on Wednesday and am sure the Board would like to see it.

Hubert Oxford, IV

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300

Beaumont, Texas 77706

(409) 951-4721 Direct

(409) 351-0000 Cell

(409) 833-8819 Fax

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From: Hubert Oxford IV

Sent: Monday, July 6, 2020 3:08 PM

To: 'Ridgeway, Christy' <christy@eastchambers.net>; 'Scott Campbell' <scott@eastchambers.net>

Cc: 'Sherrie Norris' <sherrie@wshd-tx.com>

Subject: RE: Attached Image

This one has student's served. That is always good to know.

Hubert Oxford, IV

Benckenstein & Oxford, L.L.P.

3535 Calder Avenue, Suite 300

Beaumont, Texas 77706

(409) 951-4721 Direct

(409) 351-0000 Cell

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From: Hubert Oxford IV
Sent: Monday, July 6, 2020 3:03 PM
To: 'Ridgeway, Christy' <christy@eastchambers.net>; Scott Campbell <scott@eastchambers.net>
Cc: Sherrie Norris <sherrie@wshd-tx.com>
Subject: RE: Attached Image

Christy,

Again, the ledger is not real helpful but I will pass it along. If it were me, I would maybe consider compiling the information and including it in a budget, like the one attached. Then, I would provide some highlights of information you want to convey to help justify their continued use in funding for this program.

Hope this helps.

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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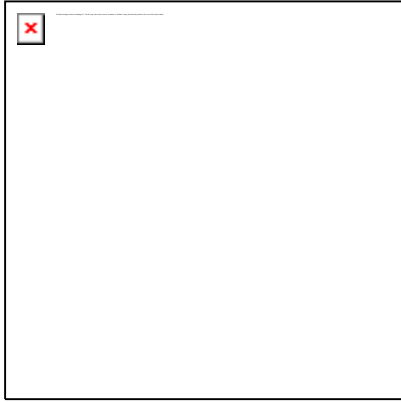
From: Ridgaway, Christy <christy@eastchambers.net>
Sent: Monday, July 6, 2020 2:51 PM
To: Hubert Oxford IV <hoxfordiv@benoxford.com>; Scott Campbell <scott@eastchambers.net>
Cc: Sherrie Norris <sherrie@wshd-tx.com>
Subject: Re: Attached Image

This is a system generated report from our audited financials. I'm not sure putting it in an excel spreadsheet or powerpoint would be anymore beneficial.

The report that I provide each year with the services broken down by students serviced would be confusing because there are some months where services are not provided, or there are not as many students seen by nursing staff, etc. That report is designed to be a budgeting tool on a yearly basis.

Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
216 Champions Loop
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net



On Mon, Jul 6, 2020 at 2:43 PM Hubert Oxford IV <hoxfordiv@benoxford.com> wrote:

Christy,

We can present this anyway you want but my recommendation is to organize it in a spreadsheet or Powerpoint so that it make a little more sense.

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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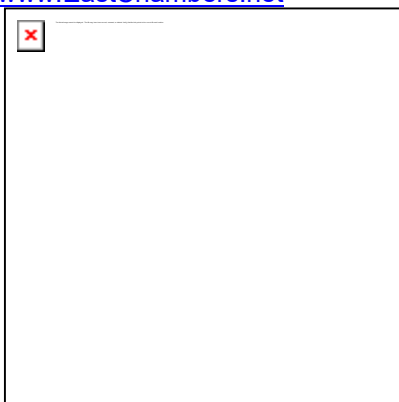
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From: Ridgaway, Christy <christy@eastchambers.net>
Sent: Monday, July 6, 2020 2:33 PM
To: Sherrie Norris <sherrie@wshd-tx.com>; Hubert Oxford IV <hoxfordiv@benoxford.com>
Subject: Fwd: Attached Image

I sent a report thru April on May 18 and never received a response. I am sending the same report updated thru June 29.

Christy Ridgaway

Administrative Assistant
to Superintendent of Schools
216 Champions Loop
Winnie, TX 77665
O: (409) 296-6100 ext 1002
F: (409) 296-3528
Email: christy@eastchambers.net
www.EastChambers.net



----- Forwarded message -----

From: Ridgaway, Christy <esc5@eastchambers.net>
Date: Mon, Jul 6, 2020 at 2:32 PM
Subject: Attached Image
To: <christy@eastchambers.net>

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Account Number	Description	Est Revnue/ Appropriation	Encumbrance	Rlzd Revnue/ Expenditure	Balance
162 00 1110 00 000 0 00 0 00	CASH				47,038.98
162 00 1410 00 000 0 00 0 00	DEFERRED EXPENDITURES				42,161.64
162 00 1411 00 000 0 00 0 00	WORKERS COMP				-0.08
162 00 2110 00 000 0 00 0 00	ACCOUNTS PAYABLE				0.00
162 00 2110 01 000 0 00 0 00	REVERSE TO PRIOR YEAR				0.00
162 00 2171 00 000 0 00 0 00	DUE TO GENERAL FUND				0.00
162 00 2177 99 000 0 00 0 00	INTERNAL SERVICE FUND				0.00
162 00 3600 00 000 0 00 0 00	FUND BALANCE				-55,960.28
162 00 4310 00 000 0 00 0 00	RESERVE FOR ENCUMBRANCES				-51,324.64
162 00 4310 01 000 0 00 0 00	RESERVE FOR ENCUMBRANCES				0.00
162 00 5744 00 000 0 00 0 00	W-S HOSPITAL DIST	180,000.00		-135,000.00	45,000.00
162 00 5831 00 000 0 00 0 00	TRS ON-BEHALF BENEFIT	0.00		-6,317.71	-6,317.71
162 11 6219 00 999 0 23 0 00	CONTRACTED SERVICES	-6,495.00	0.00	6,450.00	-45.00
162 11 6219 00 999 0 24 0 00	CONTRACTED SERVICES	-5,000.00	0.00	2,147.80	-2,852.20
162 11 6219 00 999 0 30 0 00	CONTRACTED SERVICES	-701.00	0.00	644.80	-56.20
162 11 6429 00 999 0 11 0 00	STUDENT INSURANCE	-42,000.00	51,244.64	0.00	9,244.64
162 33 6119 00 101 0 11 0 00	SALARIES TEACHERS/OTHER PROF	-55,428.00	0.00	46,690.00	-8,738.00
162 33 6119 00 103 0 11 0 00	ECP NURSE	-39,810.00	0.00	33,152.42	-6,657.58
162 33 6141 00 101 0 11 0 00	MEDICARE	-804.00	0.00	677.05	-126.95
162 33 6141 00 103 0 11 0 00	MEDICARE	-314.00	0.00	273.15	-40.85
162 33 6142 00 101 0 11 0 00	TRS ACTIVE CARE	-8.00	0.00	6.30	-1.70
162 33 6142 00 103 0 11 0 00	TRS ACTIVE CARE	-3,908.00	0.00	3,256.30	-651.70
162 33 6143 00 101 0 11 0 00	WORKERS COMP	-190.00	0.00	190.02	0.02
162 33 6143 00 103 0 11 0 00	WORKERS COMP	0.00	0.00	0.06	0.06
162 33 6143 00 999 0 23 0 00	WORKERS COMP	-137.00	0.00	137.00	0.00
162 33 6144 00 101 0 11 0 00	ON BEHALF	-3,364.00	0.00	3,416.87	52.87
162 33 6144 00 103 0 11 0 00	ON BEHALF	-2,405.00	0.00	2,900.84	495.84
162 33 6145 00 101 0 11 0 00	UNEMPLOYMENT	-46.00	0.00	46.00	0.00
162 33 6146 00 101 0 11 0 00	STAT MIN	-1,594.00	0.00	1,585.35	-8.65
162 33 6146 00 103 0 11 0 00	STAT MIN	-896.00	0.00	745.91	-150.09
162 33 6219 00 999 0 11 0 00	PROFESSIONAL SERVICE	-1,100.00	80.00	978.00	-42.00
162 33 6239 00 999 0 11 0 00	ESC HEALTH COOP	-1,000.00	0.00	1,000.00	0.00
162 33 6399 00 999 0 11 0 00	SUPPLIES	-10,000.00	0.00	3,695.58	-6,304.42
162 33 6399 01 999 0 11 0 00	AED'S	-4,000.00	0.00	0.00	-4,000.00
162 33 6399 03 999 0 11 0 00	FLU SHOTS	-300.00	0.00	60.00	-240.00
162 33 6411 00 999 0 11 0 00	TRAVEL	-500.00	0.00	24.00	-476.00
	Totals:	0.00	51,324.64	-33,240.26	-0.00

Fnc-Obj.-So-Org-Prog	Description	Balance
00-1000	A S S E T S	
00-1100	CASH & TEMP INVESTMENTS	
00-1110	CASH IN BANKS	
* 00-1110.00-000-000000	CASH	58,725.95*
00-1400	OTHER CURRENT ASSETS	
00-1410	DEFERRED EXPENDITURES	
* 00-1410.00-000-000000	DEFERRED EXPENDITURES	42,161.64*
* 00-1411.00-000-000000	WORKERS COMP	.00*
00-14XX.XX-XXX-XXXXXX		42,161.64
00-1XXX.XX-XXX-XXXXXX		100,887.59
00-2000	L I A B I L I T I E S	
00-2100	CURRENT PAYABLES	
00-2110	ACCOUNTS PAYABLE	
* 00-2110.00-000-000000	ACCOUNTS PAYABLE	.00*
* 00-2110.01-000-000000	REVERSE TO PRIOR YEAR	.00*
00-211X.XX-XXX-XXXXXX		.00
00-2170	DUE TO OTHER FUNDS	
* 00-2171.00-000-000000	DUE TO GENERAL FUND	.00*
* 00-2177.99-000-000000	INTERNAL SERVICE FUND	.00*
00-2XXX.XX-XXX-XXXXXX		.00
00-3000	FUND EQUITY	
00-3600	UNDESIGNATED FUND BALANCE	
00-3600	UNDESIGNATED FUND BALANCE	
* 00-3600.00-000-000000	FUND BALANCE	-55,960.28*
00-4000	NON-BALANCE SHEET ACCNTS	
00-4300	ENCUMBRANCE RESERVES	
00-4310	RESERVE FOR ENCUMBRANCES	
* 00-4310.00-000-000000	RESERVE FOR ENCUMBRANCES	-51,603.64*
* 00-4310.01-000-000000	RESERVE FOR ENCUMBRANCES	.00*
00-4XXX.XX-XXX-XXXXXX		-51,603.64

Fnc-Obj.So-Org-Prog	Description	Est Revenue	Rlzd Revenue	Balance
00-5000	RECEIPTS			
00-5700	REVENUE-LOCAL & INTERMED			
00-5740	TRANS FROM WITHIN STATE			
* 00-5744.00-000-000000	W-S HOSPITAL DIST	180,000.00	-135,000.00	45,000.00*
00-5800	STATE PROGRAM REVENUES			
00-5830	TRANSPORTATION REVENUES			
* 00-5831.00-000-000000	TRS ON-BEHALF BENEFIT	.00	-5,524.03	-5,524.03*
00-5XXX.XX-XXX-XXXXXX		180,000.00	-140,524.03	39,475.97

Fnc-Obj.-So-Org-Prog	Description	Appropriation	Encumbrance	Expenditures	Balance
11	INSTRUCTION				
11-6000	EXPENDITURES				
11-6200	PURCHASE & CONTRACTED SVS				
11-6210	PROFESSIONAL SERVICES				
* 11-6219.00-999-023000	CONTRACTED SERVICES	-6,495.00	.00	6,450.00	-45.00*
* 11-6219.00-999-024000	CONTRACTED SERVICES	-5,000.00	.00	1,296.10	-3,703.90*
* 11-6219.00-999-030000	CONTRACTED SERVICES	-701.00	.00	644.80	-56.20*
11-62XX.XX-XXX-XXXXXX		-12,196.00	.00	8,390.90	-3,805.10
11-6400	OTHER OPERATING EXPENSES				
11-6420	INSURANCE & BONDING COSTS				
* 11-6429.00-999-011000	STUDENT INSURANCE	-42,000.00	51,244.64	.00	9,244.64*
11-XXXX.XX-XXX-XXXXXX		-54,196.00	51,244.64	8,390.90	5,439.54

Fnc-Obj.-So-Org-Prog	Description	Appropriation	Encumbrance	Expenditures	Balance
33	HEALTH SERVICES				
33-6000	E X P E N D I T U R E S				
33-6100	PAYROLL COSTS				
33-6110	SALARIES OR WAGES				
* 33-6119.00-101-011000	SALARIES TEACHERS/OTHER PROF	-55,428.00	.00	41,571.00	-13,857.00*
* 33-6119.00-103-011000	ECP NURSE	-39,810.00	.00	28,436.81	-11,373.19*
33-611X.XX-XXX-XXXXXX		-95,238.00	.00	70,007.81	-25,230.19
33-6140	EMPLOYEE BENEFITS				
* 33-6141.00-101-011000	MEDICARE	-804.00	.00	602.82	-201.18*
* 33-6141.00-103-011000	MEDICARE	-314.00	.00	226.73	-87.27*
33-6141.XX-XXX-XXXXXX		-1,118.00	.00	829.55	-288.45
* 33-6142.00-101-011000	TRS ACTIVE CARE	-8.00	.00	5.67	-2.33*
* 33-6142.00-103-011000	TRS ACTIVE CARE	-3,908.00	.00	2,930.67	-977.33*
33-6142.XX-XXX-XXXXXX		-3,916.00	.00	2,936.34	-979.66
* 33-6143.00-101-011000	WORKERS COMP	-190.00	.00	190.00	.00*
* 33-6143.00-103-011000	WORKERS COMP	.00	.00	.00	.00*
* 33-6143.00-999-023000	WORKERS COMP	-137.00	.00	137.00	.00*
33-6143.XX-XXX-XXXXXX		-327.00	.00	327.00	.00
* 33-6144.00-101-011000	ON BEHALF	-3,364.00	.00	3,035.81	-328.19*
* 33-6144.00-103-011000	ON BEHALF	-2,405.00	.00	2,488.22	83.22*
33-6144.XX-XXX-XXXXXX		-5,769.00	.00	5,524.03	-244.97
* 33-6145.00-101-011000	UNEMPLOYMENT	-46.00	.00	46.00	.00*
* 33-6146.00-101-011000	STAT MIN	-1,594.00	.00	1,416.69	-177.31*
* 33-6146.00-103-011000	STAT MIN	-896.00	.00	639.82	-256.18*
33-6146.XX-XXX-XXXXXX		-2,490.00	.00	2,056.51	-433.49
33-614X.XX-XXX-XXXXXX		-13,666.00	.00	11,719.43	-1,946.57
33-61XX.XX-XXX-XXXXXX		-108,904.00	.00	81,727.24	-27,176.76
33-6200	PURCHASE & CONTRACTED SVS				
33-6210	PROFESSIONAL SERVICES				
* 33-6219.00-999-011000	PROFESSIONAL SERVICE	-1,100.00	359.00	699.00	-42.00*
33-6230	TRANSFERS-WITHIN STATE				
* 33-6239.00-999-011000	ESC HEALTH COOP	-1,000.00	.00	1,000.00	.00*
33-62XX.XX-XXX-XXXXXX		-2,100.00	359.00	1,699.00	-42.00
33-6300	SUPPLIES & MATERIALS				
33-6390	SUPPLIES & MATERIALS				
* 33-6399.00-999-011000	SUPPLIES	-10,000.00	.00	3,695.58	-6,304.42*
* 33-6399.01-999-011000	AED'S	-4,000.00	.00	.00	-4,000.00*
* 33-6399.03-999-011000	FLU SHOTS	-300.00	.00	60.00	-240.00*
33-63XX.XX-XXX-XXXXXX		-14,300.00	.00	3,755.58	-10,544.42
33-6400	OTHER OPERATING EXPENSES				
33-6410	TRAVEL & SUBSISTENCE				
* 33-6411.00-999-011000	TRAVEL	-500.00	.00	24.00	-476.00*
33-XXXX.XX-XXX-XXXXXX		-125,804.00	359.00	87,205.82	-38,239.18
Total Expenditures		-180,000.00	51,603.64	95,596.72	-32,799.64
Fund 162 / 0 Totals					
	1XXX				100,887.59
	2XXX				.00
	3XXX				-55,960.28
	4XXX				-51,603.64
	5XXX	180,000.00	-140,524.03		39,475.97
	6XXX	-180,000.00	51,603.64	95,596.72	-32,799.64
	7XXX	.00	.00		.00
	8XXX	.00	.00	.00	.00
	Fund 162 / 0 Balance				-.00

Grand Totals

1XXX				100,887.59
2XXX				.00
3XXX				-55,960.28
4XXX				-51,603.64
5XXX	180,000.00	-140,524.03		39,475.97
6XXX	-180,000.00	51,603.64	95,596.72	-32,799.64
7XXX	.00	.00		.00
8XXX	.00	.00	.00	.00
Balance of all Funds				-.00

End of Report

Exhibit “E”

Winnie-Stowell Hospital District			
Executive Summary of Nursing Home Monthly Site Visits			
May 2020			
Facility	Operator		Comments
Garrison Nursing and Rehabilitation	Caring		Census: 69. The facility had their annual survey in November 2019, their POC was accepted by the state. The state came into the facility in April for the infection control survey, the facility was not cited. There were no reportable incidents since the last visit. The facility has had a total of 34 COVID-19 cases between staff and residents. The facility has a wing dedicated as an isolation area; this has allowed them to contain the virus as best they can. The facility is now able to accept new residents, due to COVID-19 they had not been able to accept a new resident.
Park Manor of Quail Valley	HMG		Census: 72. The facility had their annual survey in January 2020, their POC was accepted by the state. There were no reportable incidents since the last visit. The facility has had a total of 101 staff and residents who have tested positive for COVID-19. The facility is conducting tests on residents every week, the staff is tested every two weeks.
Marshall Manor Nursing and Rehab Center	Caring		Census: 103. The facility is in their survey window. The facility had their infection control survey in May, they were not cited. There were no reportable incidents since the last visit. There were two residents and two staff that have tested positive for COVID-19, all four were isolated and have since tested negative.
Marshall Manor West	Caring		Census: 53. The facility had their annual survey in January 2020, they received two tags and they are awaiting acceptance of their POC. There were no reportable incidents since the last visit. The facility has had 71 staff and residents test positive for COVID-19. Due to the positive cases in the facility they are not able to take new residents. The facility has not been cited for a deficiency during any of the infection control surveys.

April 2020			
Facility	Operator		Comments
Highland Park Care Center	Caring		Census: 81. The facility is following CDC guidelines regarding COVID-19. Resident temperatures are taken every shift and the facility has made a tablet available for residents to contact their families. The facility has adjusted their social activities to be done in the residents' rooms, including bingo and ice cream socials.
Spring Branch Transitional Care Center	Caring		Census: 194. The facility is currently in their survey window. There were no reportable incidents since the last visit. The facility was able to get twenty-five gallons of hand sanitizer from a local distillery, they are confident they have enough supplies at this time. The facility is having the staff bring their meals to the facility, this is preventing a staff member from leaving and coming into contact with someone who may have COVID-19.
Park Manor of Cyfair	HMG		Census: 108. The facility is currently in their survey window. There were no reportable incidents since the last visit. The facility is making any resident that comes from a hospital be quarantined for fourteen days. The facility is also assigning nurses to work the same halls on all shifts in order to prevent any cross contamination and to be able to track the genesis of an outbreak.
Park Manor of Cypress Station	HMG		Census: 80. Facility had their annual survey in October 2019, they will enter their survey window in July 2020. The facility has had one resident test positive for COVID-19, at the time of the visit it had been twelve days since the positive test. There is one other resident who has tested positive, but they are no longer in the facility. The nurses who work the "quarantine" hall are not permitted to go on any other halls.
Park Manor of Humble	HMG		Census: 76. The facility will be in their survey window in May 2020. There were no reportable incidents since the last visit. The facility has raised the pay for the staff who have volunteered to work the isolation wing of the facility. If a staff member has a temperature over 99 degrees, they are required to be away from the facility for 48 hours.

Park Manor of Westchase	HMG		Census: 97. The facility had their annual survey in February 2020, information about the survey was not available due to complications from COVID-19. There were no reportable incidents since the last visit. The facility is incentivizing the staff to keep COVID-19 out of the facility, they are offering all staff \$500 if there are no cases by May 31, there will also be a raffle for a new car.
Flatonia Oak Manor	Genesis		Census: 30. Facility had their infection control survey, they received two tags, both have been cleared and facilities' plan of correction has been accepted. There were no reportable incidents since the last visit. The facility is doing a good job managing during the pandemic, they are having to pay overtime as they are limiting who can come into the facility. Ms. Reyes has formally been given the role of the administrator; this should be great for the facility.
Oakland Manor	Genesis		Census: 45. State was in the facility for a health inspection survey, the facility received zero citations. There were no reportable incidents since the last visit. There have been two COVID-19 cases in the community, both cases have since been released from the hospital. The remodel of the facility has been put on hold until things stabilize.
Hallettsville Rehabilitation and Nursing Center	Genesis		Census: 87. The facility had their infection control survey in mid-April, the facility was not cited. There were no reportable incidents since the last visit. The facility has completed their remodel, they have not been able to have a community event due to the pandemic. The facility is doing a good job staying within the budget.
LaGrange Rehab and Nursing Center	Regency		Census: 72. The facility has not had their infection survey yet but are expecting the state any day. There were no reportable incidents since the last visit. The census is high due to another facility receiving damage from a storm. The facility finished their remodel in February and were able to hold an open house, the administrator reports that the community likes the upgrades to the facility.

Administrator: Josh Havins
DON: Teresa Westmoreland

FACILITY INFORMATION

Garrison Nursing and Rehabilitation is a 93 bed SNF in a rural area with a current census of 69. The facility currently has an overall star rating of 3 and a star rating in Quality Measures of 4.

Due to the current COVID-19 restrictions in place, the QIPP site visit was conducted via telephone. The Administrator was on the call.

The Administrator reported they have implemented their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 308 confirmed cases of COVID_19 in Nacogdoches County. Administrator reports facility has had 21 confirmed resident cases of COVID_19 and 13 COVID_19 positive employees. In the beginning, on 4/28/2020, 3 cases (2 residents and 1 staff) and believe the staff member may have been first case. Currently, there are 7 residents and 2 employees still testing positive. Administrator reports there were 3 resident deaths (all on hospice with comorbidities) and 11 recovered and 11 staff have now recovered. No residents were hospitalized and 2 employees were hospitalized. Of all the positive cases, 10 asymptomatic employees, 17 asymptomatic residents. Administrator reports they have identified an isolation area in hall 400 and it is set up and there is a team of staff dedicated (all volunteered) caring for the positive COVID_19 residents (nurses working 12 hour shifts). Staff are limited to only working at facility. Because building had planned ahead and only 3 direct care staff positive (2 CNA and one Med aide) they were able to staff during COVID_19 crisis. If needed, would be able to use staff with sister facilities. Facility on hold until today for accepting any new admissions. New admissions to be quarantined in private room for 14 days. One resident on dialysis is screened and given an N-95 mask before leaving and then screened again on return. Entire building, including staff (twice) and residents (3 times), were all tested right before it became mandatory. State came into building with each self-report and were very helpful during the crisis.

Administrator reported they are following CMS/CDC/state infection control guidelines for COVID-19. Housekeeping is cleaning facility daily as per guidelines, multiple times per day cleaning the high touch areas with disinfectant every hour. Facility is performing and documenting the screening of their employees and all required in-servicing of staff is being done on-going. Facility had their infection control survey the end of April, no deficiencies cited.

PPE supply is good. Regular supplier has started filling orders. All PPE is locked up in Administrator's office. Administrator reports the facility received PPE from SEA-TRAC and more recently the local Nacogdoches county team, especially gowns. Inventory of what is on hand/in stock, updated daily to ensure PAR level. All staff are wearing surgical masks over an N-95 mask. Residents all have a surgical mask to wear during direct care or if they come out of their room.

No visitors are permitted in building. Essential staff, including lab, x-ray, wound care physicians and hospice nurses, every 2 weeks and during end of life, are permitted in the building and only after screened and use of hand sanitizer and full PPE (provided by visitor). If hospice resident is in the active dying stage, only 2 family members could come in after they are screened, provided hand sanitizer and full PPE and would be escorted directly to and from the resident room with door closed. Staff temperature and screening and resident full set of vitals are taken and recorded twice per shift and as indicated. If temperature 99 or above they are not permitted entrance into the facility.

The Administrator reports meeting with staff daily for updates. For about 2 weeks, Administrator was running Maintenance and central supply. Morale in building is good. Provide lunch daily. Have drawings for gift cards. Administrator reports the staff have really "stepped up". The staff that are COVID_19 positive are all anxious to come back.

Administrator reported the residents are coping best as can be expected. Activity director providing hallway bingo, room to room visits (hand massages, word search). Also, residents planted tomatoes, out on patio blowing bubbles (all while socially distancing). Canopy set up for COVID_19 positive residents to go outside. Management staff are assigned a set of families to call and provide update on resident Monday, Wednesday and Friday. Also set up Facetime visits for residents using available Facebook portal. Also assisting family and resident with window visits.

QIPP SCORECARD:

Based on QIPP Scorecard for quarter Dec/Jan/Feb, Garrison Nursing and Rehabilitation:

- Component 1 - Met
- Component 2 - Met Metrics 1, 2, 3 and 4
- Component 3 - Met Metrics 1, 2 and 3
- Component 4 - Met Metrics 1, 2 and 3

SURVEY INFORMATION

Garrison Nursing Home and Rehabilitation had their full book on November 14, 2019. Facility had Infection Survey in April and passed with no deficiencies cited.

REPORTABLE INCIDENTS

Information not provided

CLINICAL TRENDING

Incidents/Falls:

Information was not provided

Infection Control:

Information was not provided

Weight loss:

Information was not provided

Pressure Ulcers:

Information was not provided

Restraints:

Information was not provided

Staffing:

Facility is fully staffed and also utilize telehealth with RNs and PAs each month.



Administrator: Bryan Orona

DON: Susan Joy

FACILITY INFORMATION

Park Manor of Quail Valley is a 125 -bed facility with a current over all star rating of 4. Given census on the date of this call was 72: Private Pay- 3, HMO- 10, Medicare- 26, Medicaid- 29 (2 pending), and Hospice -2.

Due to the current COVID-19 restrictions in place, the QIPP site visit was conducted via telephone. The DON and Kara Musgraves qv-Administrator were on the call.

The DON reported they have implemented their emergency plan and are following all the state/federal/local mandates. DON reports they have identified an isolation area in hall 200 and it is set up and in use. Administrator does not anticipate they will need to "shelter in place", but they do have a plan just in case and could house staff members when the need arises. Administrator reports there are 1641 confirmed cases of COVID_19 in Fort Bend County. Staff are limited to only working at one facility. Corporate office is also contracted with a staffing agency if needed. Anyone on dialysis or anyone who goes out to essential physician visits or hospital is quarantined on in to a private room for 14 days. Facility reported COVID_19 positive resident on 3/30/2020 and then all residents and staff were tested. 33 staff tested positive 18 recovered with 2 negative results and back to work. Another 68 tested positive of the residents, 22 recovered with 2 negative tests and waiting for second tests on all the rest. 2 hospitalized for COVID_19 and 9 have died that were positive (one on a ventilator) and 3 were on hospice and all had other co-morbidities. Residents are being tested weekly based on s/s and staff being tested every 2 weeks or based on s/s. Facility is doing their own testing.

Qv-Administrator reported they are following CMS/CDC/state infection control guidelines for COVID-19. Housekeeping is cleaning facility daily as per guidelines, every 1 hour cleaning the high touch areas with disinfectant (document on log). Facility is performing and documenting the screening of their employees every shift and if step outside for break, screened again. All required in-servicing of staff is being done on-going and as mandated. State has been coming to facility weekly for infection control monitoring and no exit report to date, as it is continual.

All PPE is locked up in secure location. DON reports adequate supply of PPE (always have at least 1 week supply on hand and some items 2-3wks supply), inventory is done every day. Regular orders from vendor coming in and corporate office providing from their stock as needed. DON reports the facility is receiving PPE from SEA-TRAC.

No visitors are permitted in building. Essential staff, including hospice nurses, only if during end of life, are permitted in the building and only after screened and use of hand sanitizer and given a mask, gown, gloves and face shield. Staff and resident temperatures taken and recorded once per shift and as indicated. If temperature 100.4 or above they are not permitted entrance into the facility.

The DON reports for Nurse's Week last week had a luau with music and social distancing observed, Vendors also provided food and snacks and special masks for when staff are not at work. This week providing sno-cones.

Administrator reported the residents are coping well. The activity director is providing activities one on one, coloring in room, fun snacks, etc. and music through intercom. Talking with corporate office about what they can do for outside activities. Facility has I-pads available to residents for Facetime with families. Admissions and marketing team call families regularly and have emails from families if needed.

SURVEY INFORMATION

Park Manor of Quail Valley had their full book survey in January of 2020. Park Manor of Quail Valley received minimal health and fire/safety code violations and all were cleared.

REPORTABLE INCIDENTS

Did not provide information

CLINICAL TRENDING

Incidents/Falls:

In Dec/Jan/Feb 2020, Park Manor of Quail Valley had 50 total falls, of which 1 resulted in injury, 2 received skin tears, 2 had bruises, 0 lacerations, 0 elopements, 0 fractures.

Infection Control:

Facility reports 53 total infections in **Dec/Jan/Feb 2020**– 22 UTI's; 15 Resp; 11 wound infections; 3 Blood infections and 2 EENT infections.

Weight loss:

Weight loss information for **Dec/Jan/Feb 2020** was not provided for 5-10% or > 10% loss in 30 days.



Pressure Ulcers:

In Dec/Jan/Feb 2020, there were 21 residents with 35 pressure ulcer sites – 8 acquired in house.

Restraints:

In Dec/Jan/Feb 2020, the facility had 0 residents with restraints.

Staffing:

Facility has openings for (4) LVNs & (4) CNAs for 6a-2p & 2p-10p and (2) LVNs & 2 CNAs for 10p-6a; (1) housekeeper for 2p-10p.

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
New Psychoactive Med Use (S)	% not provided	2%	1.9%	
Fall w/Major Injury (L)	% not provided	3.1%	3.5%	
UTI (L)	% not provided	2%	2.6%	
High risk with pressure ulcers (L)	7.1%	8.1%	8.1%	
Loss of Bowel/Bladder Control(L)	64.5%	51.7%	48.4%	MDS coding requirement of counting even if only 1 in 7 days skews measure & staff are reviewing for other opportunities of improvement.
Catheter(L)	% not provided	2%	2%	
Physical restraint(L)	0%	0.1%	0.2%	
Increased ADL Assistance(L)	15.9%	17.7%	15.1%	
Excessive Weight Loss(L)	2.6%	4.9%	5.1%	



Depressive symptoms(L)	0%	3.9%	6.2%	
Antipsychotic medication (L)	2.6%	12%	14.1%	

Component 1- Quarter 2, 2020

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting	12/10/2019, 01/14/2020, 02/11/2020	

Component 2 – Quarter 2, 2020

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	NA
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	Y	NA
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	Y	NA
Was Workforce Development data submitted q month to QIPP during the quarter?	Y	NA

QIPP Component 3 – CMS Long-Stay Quality Metrics – Quarter 2, 2020

Indicator	National Benchmark (Target)	Facility Baseline	Facility Results QRT 2	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.35%	7.47%	7.1%	met
Percent of residents who received an anti-psychotic medication	14.56%	7.29%	2.6%	Met
Percent of residents whose ability to move independently has worsened	17.72%	17.87%	15.95	Met

QIPP Component 4 – CMS Long-Stay Quality Metrics Quarter 2, 2020

Indicator	National Benchmark	Facility Baseline	Facility Results QRT 2	Comments
Percent of residents with urinary tract infections	2.80%	1.10%	0%	Met
Percent of residents whose pneumococcal vaccine is up to date.	93.67%	93.67%	67%	Not met (many had in hospital and could not get from their records and others the family could not remember).

<p>Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training as well as monitoring, documenting and providing staff feedback.</p>				<p>Infection Control Policy is reviewed as mandated and needed.</p> <p>Antibiotic Stewardship Program is reviewed and is in place with all components per administrator's statement.</p> <p>ADON is Infection Preventionist</p>
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Administrator: Linda Benson
DON: Rashonda Galey

FACILITY INFORMATION

Marshall Manor Nursing and Rehab is a 169-bed facility with a current over all star rating of 2 and a Quality Measures rating of 5. The census on the date of this call was 103,

Due to the current COVID-19 restrictions in place, the QIPP site visit was conducted via telephone. The Administrator and DON were on the call.

The Administrator reported they have implemented their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 261 confirmed cases of COVID_19 in Harrison County. Administrator reports they have identified an isolation area upstairs on D-wing and it is set up and ready and there is a team of staff designated and ready should they be needed. Staff are limited to only working at facility except for one CNA who also works at the hospital (no COVID_19 pts). If needed, would be able to use staff with sister facilities. New admissions to be tested before they are admitted and quarantined in private room for 14 days. Resident on dialysis or out for essential visits are screened and given an surgical mask before leaving and then screened again on return and are currently in private rooms, isolated. Entire building, including staff all tested by National Guard and Emergency Management through RAC-G. All but 2 tested negative and the 2 staff who tested positive, were then quarantined and now test negative and are scheduled to come back to work.

Administrator reported they are following CMS/CDC/state infection control guidelines for COVID-19. Housekeeping is cleaning facility daily as per guidelines, multiple times per day cleaning the high touch areas with disinfectant 2x per day with cake wipes (create their own with bleach). Facility is performing and documenting the screening of their employees and all required in-servicing of staff is being done on-going. Facility had their infection control survey in May, no deficiencies cited.

PPE supply is good. Regular supplier has started filling orders. All PPE is locked up in Administrator's office. Administrator reports the facility receives PPE from RAC-G every week and 2 orders from FEMA. Inventory of what is on hand/in stock, updated weekly to ensure PAR level. All staff are wearing surgical masks. Residents all have a cloth mask to wear during direct care or if they come out of their room.

No visitors are permitted in building. If temperature 100.1 or above they are not permitted entrance into the facility. Essential staff, including lab, x-ray, life safety, (all tested with facility and are negative) medical director (tested negative) and 1 hospice nurse (who tested negative & has not been in a COVID_19 positive building), every week and during end of life, are permitted in the building and only after screened and use of hand sanitizer and mask. If hospice resident is in the active dying stage, only 2 family members could come in after they are screened, provided hand

sanitizer and mask and would be escorted directly to and from the resident room with door closed. One resident had family (nurse) come to visit as they were very upset and after visit resident placed on hospice. Staff temperature and screening prior to their shift and before they leave and resident full set of vitals are taken and recorded once per shift and as indicated.

The Administrator reports meeting with staff regularly for updates. Morale in building is good. Gift cards provided, especially if they work extra. Staff (and residents) are given treats (sno-cones, coke floats, cookies, etc.) three times a day, providing some meals. Staff to be provided hazard pay if work on the isolation unit. Celebrated National Nurses week in May with a balloon lift off and Mayor was present and gave proclamation.

Administrator reported the residents are coping best as can be expected. Activity director providing room to room visits with different activities, including in room gardening. Talking about doing bingo, taking turns for each hallway. Some residents go outside with a staff member, all 6 ft. apart and therapy is also walking some residents outside. Management staff are assigned a set of families to call and provide update on resident every Friday. Also post on Facebook and assist with Facetime visits for residents. Also assisting family and resident with window visits. Had a parking lot parade last month and a singing group performed outside while socially distancing.

QIPP SCORECARD:

Based on QIPP Scorecard for quarter Dec/Jan/Feb, Marshall Manor and Nursing Rehab Center:

- Component 1 - Met
- Component 2 - Met Metrics 1, 2, 3 and 4
- Component 3 - Met Metrics 1, 2, and 3
- Component 4 - Met Metrics 1, 2 and 3

SURVEY INFORMATION

Marshall Manor Nursing and Rehab Center survey window opened up in May. Current surveys during COVID_19 are on hold but facility did have their infection control survey in May with no deficiencies.

REPORTABLE INCIDENTS

Information not provided

CLINICAL TRENDING

Incidents/Falls:

Facility information not given

Infection Control:



Facility information not given

Weight loss:

Facility information not given

Pressure Ulcers:

Facility information not given

Restraints:

Facility information not given

Staffing:

Facility is currently fully staffed.

Administrator: Ken Kale
DON: Lakeisha Owens

FACILITY INFORMATION

Marshall Manor West is a 115-bed facility with a current over all star rating of 4 and a Quality Measures rating of 3. The census on the date of this call was 53, breakdown not provided.

Due to the current COVID-19 restrictions in place, the QIPP site visit was conducted via telephone. The Administrator was on the call.

The Administrator reported they have implemented their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 259 confirmed cases of COVID_19 in Harrison County. Administrator reports the facility has had 50 residents test positive for COVID_19 and 21 employees with confirmed positive cases. At least half of the positive residents were asymptomatic and about 20% of staff were asymptomatic. 7 of the positive residents passed away (3 were on hospice). Administrator reports they have identified an isolation area in the secure unit is set up with a dedicated team of staff working the unit (started with 12 hour shifts but now back to 8 hour shifts). Currently there are 14 residents on the COVID_19 unit. Staff are limited to only working at the facility. Facility used a surge team from San Antonio for 2.5 weeks and a sister facility from Austin for 3 weeks. Currently facility can only take COVID_19 positive admissions but they have had no new admissions since 4/21/2020. Anyone on dialysis or anyone who goes out to essential physician visits are screened and given a mask before they leave and then screened again on return and quarantined in a private room. At end of April, all residents and staff were tested. Everyone that tested negative the first time have now been retested twice, per state health department guidance. 29 of all who tested positive have recovered.

Administrator reported they are following CMS/CDC/state infection control guidelines for COVID-19. Housekeeping is cleaning facility daily as per guidelines, multiple times per day cleaning the high touch areas with disinfectant every hour. Added night shift housekeeper for the COVID_19 positive unit. Facility is performing and documenting the screening of their employees and all required in-servicing of staff is being done on-going. Facility had their infection control survey in April, no deficiencies cited.

All PPE is locked up in secure location. Regular orders are now coming in. Administrator reports the facility received PPE from RAC-G 2-3 times per week during crisis and now only once per week. Inventory of what is on hand/in stock, updated daily during height of outbreak and now done weekly to ensure PAR level. Residents have a surgical masks to wear during direct care or when they are out of their room. 100% of staff are wearing N-95 masks (all fit tested).

No visitors are permitted in building. Essential staff, including lab, x-ray, physicians, NPs (doing testing on COVID unit) and hospice nurses (for crisis management only) during end of life, are

permitted in the building and only after screened and use of hand sanitizer and full PPE (provided by visitor). If hospice resident is in the active dying stage, only 1 family members could come in after they are screened, provided hand sanitizer, standard PPE for negative residents and full PPE if on COVID_19 unit and would be escorted directly to and from the resident room with door closed. Staff temperature and screening done prior to shift and every 4 hours and resident full set of vitals are taken and recorded once per shift and as indicated. If temperature 100 or above they are not permitted entrance into the facility. If temp is over 98.6, they are asked to re-do temperature within 5 minutes.

The Administrator reports meeting with staff daily one on one (no group meetings). Several of the resident's families have donated items and meals. Hazard pay given to all staff. Providing gift cards. Unable to celebrate Nurse's Week but have it planned for next month.

Administrator reported the residents are coping fairly well. Activity director providing hallway bingo, room to room visits from a very well stocked cart. Some residents take advantage of controlled opportunities to sit outside (maintaining social distancing based on marks 6 ft apart). Management staff are assigned a set of families to call and provide update on residents daily for the last month and also assisting family and resident with window visits. Facility had several churches come and wave and pray and donate items for staff and residents.

QIPP SCORECARD:

Based on QIPP Scorecard for quarter Dec/Jan/Feb, Marshall Manor West:

- Component 1 - Met
- Component 2 - Met Metrics 1, 2, 3 and 4
- Component 3 - Met Metrics 1, 2 and 3
- Component 4 - Met Metrics 1, 2 and 3

SURVEY INFORMATION

The facility's annual full book survey with federal oversight was conducted on 1/16/2020 in which they received 2 tags and are awaiting acceptance of their POC.

REPORTABLE INCIDENTS

Information not provided.

CLINICAL TRENDING

Incidents/Falls:

Facility information not given.

Infection Control:

Facility information not given.

Weight loss:

Facility information not given.

Pressure Ulcers:

Facility information not given.

Restraints:

Facility information not given.

Staffing:

Facility in need of several staff members due to COVID_19 positive staff members.

Hubert Oxford IV

From: Hubert Oxford IV
Sent: Monday, July 6, 2020 4:36 PM
To: Nancy Gaudet; Sherrie Norris; Patricia Ojeda
Cc: Bobby Way
Subject: Draft Agreement for Irlen Syndrome
Attachments: Irlen Syndrome Testing Agreement and Business Associate Agreement.docx

Nancy,

Attached, please find a draft agreement for services to provide Irlen Syndrome testing. Will you please review and let us know your thoughts? Assuming it is ok, we need your contact information. The Board is scheduled to consider at its upcoming July 15, 2020 Regular Meeting.

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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AGREEMENT FOR HEALTHCARE PROVIDERS

This Independent Contractor Agreement (“Agreement”) is made effective the 15th day of July 2020, between Winnie Stowell Hospital District, a political entity of the State of Texas (hereinafter referred to as “District”) and Mrs. Nancy Gaudet, Certified Irlen Diagnostician (hereinafter referred to as “Provider”).

In consideration of the mutual promises herein contained, the parties agree as follows:

1. **Services.** Provider agrees to:
 - Provide professional testing for Irlen syndrome and order lenses, if necessary, for any child that resides in the District as set forth in the District’s Indigent Healthcare Policy & Procedure Statement and is qualified to attend school within the East Chambers Independent School District.
 - Perform such services, in strict accordance with currently approved and accepted methods and practices of a Certified Irlen Diagnostician.
 - Provide services in a professional, timely and competent manner, and to comply with all applicable procedures, policies, and requirements of District, including, but not limited to establishing a process to document clients and to verify residency requirements of the children receiving services pursuant to this agreement.
 - Provide HIPPA compliant monthly and annual reports of the number of patients that received services provided for in this Agreement; amount of time spent with each patient; program evaluation; and budget status.
 - Provide such services as may be requested by District and as needed to discharge the duties and obligations of this Agreement.
2. **Contract Rate.** Provider shall be compensated for services performed under this Agreement in the amount of \$300.00 for the initial testing; and \$500.00 for the second round of testing and lenses if a child is confirmed to have Irlen Syndrom. Provider shall be paid only for work actually performed by Provider under the terms of this Agreement, and Provider shall not be entitled to any additional compensation or other benefits of any kind.
3. **Billing.** Provider shall invoice District each month, which invoice shall be due and payable 30 days from receipt. Invoices should be sent to the following District individual by way of first-class mail or electronic mail (i.e., e-mail):

Patricia Ojeda
Winnie-Stowell Hospital District
P.O. Box 1997

Winnie, Texas 77665

or

E-mail: Patricia@wshd-tx.com

4. **Term.** This Agreement shall be effective for a term of one (1) year beginning on July 15, 2020, unless terminated earlier in accordance with this Agreement. Thereafter, the contract may be extended on an annual basis if approved by the District's Board as part of its proposed budget adopted at the December regular meeting.
5. **Termination.** Either party may terminate this Agreement by providing thirty (30) days prior, written notice to the other party at any time. Additionally, either party may terminate this Agreement immediately as a result of a breach of any of the provisions or terms of this Agreement by the other party if the breaching party fails, after ten (10) days written notice, to cure such breach to the reasonable satisfaction of the non-breaching party. District may terminate this Agreement immediately if any of the representations of Provider in paragraphs 3, 4 or 8 of this Agreement become untrue.
6. **Independent Contractor.** Provider agrees to provide the professional services described herein as an independent contractor. It is mutually understood and agreed that Provider is at all times acting and performing these duties and functions in the capacity of an independent contractor; that District shall neither have nor exercise any control or direction over the methods by which Provider performs his or her services, nor shall District and Provider be deemed partners. District shall have the right to determine what services shall be provided, but not the manner in which services shall be provided. It is expressly agreed by the parties hereto that no work, act, commission or omission by Provider pursuant to the terms and conditions of this Agreement shall be construed to make or render Provider the agent, employee or servant of District. Provider shall be responsible for the payment of all federal, state, and local taxes incurred as a result of this Agreement, and further agrees to indemnify and hold District harmless from the same.
7. **Licensure and Professional Liability Insurance.** As a condition of this Agreement, the Provider shall maintain all applicable licenses and certification requirements and shall at all times during the term of this Agreement, meet all requirements of the State of Texas or other regulatory entity for such licensing, certification or credentialing. Provider shall maintain in force throughout the term of this Agreement such policies of professional liability insurance as shall be required to qualify Provider for coverage under the State of Texas Medical Malpractice statutes, and to insure Provider against any claim or claims for damage arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance or any service provided hereunder in such amount as shall be required from time to time under the statute. Provider shall demonstrate two (2) proofs of such insurance coverage by providing District with the applicable certificate or policy.

8. **Representations of Provider.** Provider represents and warrants that, except as previously disclosed in writing to District, the following are true with respect to each Provider (if applicable):
 - A. Provider's license or certification in any state has never been suspended, revoked, restricted, or deemed to be probationary;
 - B. Provider has never been reprimanded, sanctioned, or disciplined by any licensing or accrediting board;
 - C. There has never been entered against Provider a final judgment in a professional liability action and no action, based on an allegation of professional liability or malpractice by the Provider has ever been settled by payment to the plaintiff;
 - D. Provider has never been denied membership or reappointment of membership on the medical staff of any hospital, and no clinical privileges of the Provider have ever been suspended, curtailed, or revoked; and
 - E. As of the date hereof, Provider has not been the subject of any report or disclosure submitted to the National Practitioner Data Bank.
9. **Compliance with Laws.** Provider agrees to comply with all federal and state laws or regulations applicable to the services to be provided under this Agreement. The parties further agree that they will protect and secure the privacy and confidentiality of patient information and will comply with the requirements contained in the attached Business Associate Agreement. (*See Exhibit "A"*).
10. **Debarment.** Provider represents and warrants that Provider has never been sanctioned by the State of Texas or barred from any federal or state procurement programs or convicted of a criminal offense with respect to health care reimbursement. Provider shall notify District immediately if the foregoing representation becomes untrue, or if Provider is notified by the State of Texas or other enforcement agencies that an investigation has begun which could lead to such sanction, debarment, or conviction.
11. **Confidentiality.** The parties hereby acknowledge and agree that the terms of this Agreement shall be kept confidential and that neither party shall disclose matters related to this Agreement without the expressed written consent of the other party, unless required to disclose such information by statute, regulation or court order. In addition, during the term of this Agreement, each of the parties hereto may receive intentionally or unintentionally certain proprietary and confidential information (which may include confidential medical information and records) not otherwise a part of public domain through no fault of a party hereto ("Proprietary Information"), the disclosure of which would be extremely detrimental to the business affairs of the other. Therefore, each of the parties hereto (for itself and its

employees, agents and representatives) agrees to keep the Proprietary Information of the other in the strictest confidence and each agrees not to duplicate any Proprietary Information of the other and not to directly or indirectly divulge, disclose, reveal, report or transfer such Proprietary Information without the prior written consent of the other. This provision shall survive the termination of this Agreement.

12. **Indemnity.** PROVIDER AGREES TO INDEMNIFY AND HOLD HARMLESS DISTRICT, ITS EMPLOYEES, OFFICERS, AGENTS AND REPRESENTATIVES FROM AND AGAINST ANY LOSSES, COSTS, DAMAGES, AND EXPENSES RESULTING FROM ANY AND ALL CLAIMS ARISING OUT OF THE PROVIDER'S SERVICES UNDER THIS AGREEMENT. ____ (Initial)

13. **Notice.** Any notice required to be provided to any party to this Agreement shall be considered effective as of the date an electronical mail (i.e., e-mail) was sent; or the date deposit with the United States Postal Service by certified or registered mail, postage prepaid, return receipt and addressed to the party at the following address:

If to Provider:

Mrs. Nancy Gaudet
Certified Irlen Diagnostician

Phone: _____

Fax: _____

Email: _____

If to District:

Winnie-Stowell Hospital District
c/o Patricia Ojeda
P.O. Box 1997
Winnie, Texas 77665
E-mail: Patricia@wshd-tx.com

14. **Governing Law and Venue.** The validity, construction and effect of this Agreement, and all extensions and modifications thereof, shall be construed in accordance with the laws of the State of Texas without regard to its choice of law rules, and Chambers County, Texas shall be the exclusive venue for any suit, litigation or alternate dispute resolution brought pursuant to this Agreement.

15. **Dispute Resolution and Waiver of Jury Trial.** Prior to the commencement of a lawsuit by either party to this agreement, the Parties agree to mediate any dispute that may arise resulting from this Agreement or services provided. In the event that the Parties to this Agreement are not able to resolve their differences at mediation, the Parties agree to waive their right to a jury trial and have the dispute decided on by a District Court judge in Chambers, County, Texas.
16. **Medical Records.**
 - A. Provider agrees to complete all required charting in the medical record in a prompt and timely manner and in accordance with any applicable policies and procedure of required by the requisite licensing agency and the District. A copy of the District's Document Retention Policy is set forth in **Exhibit "B"**.
 - B. The ownership and right of control of all reports, records and supporting documents prepared in connection with the services contemplated herein shall vest exclusively with District and shall remain, at all times, at the District's office; provided, however, that Provider shall have such right of access to such reports, records and supporting documentation as necessary for the provision of professional services hereunder.
17. **No Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assigned by either party without the prior written consent of the non-assigning party.
18. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the matters contained herein, and supersedes any and all other discussions, statements and understandings regarding such matters. This Agreement shall be amended only upon the execution of a written agreement by both parties hereto. Any attempt to amend or modify this Agreement in any manner other than by written instrument executed by the parties shall be void.
19. **No Third-Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or permitted assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.

20. **Miscellaneous.**

- A. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- B. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other arrangement, statement or promise not contained in this Agreement shall be valid or binding.
- C. In addition to those remedies provided for herein, both parties shall have available all remedies provided by law.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement.

WINNIE STOWELL HOSPITAL

Mrs. Nancy Gaudet
Certified Irlen Diagnostician

Signed

Signed

Printed

Printed

Exhibit “F”

2019

Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average	Texas Average
ER Visits	240	183	202	206	198	215	226	202	185	105	127	185	190	
Conversion to Inpatient/observation	20	15	10	10	9	10	9	17	4	0	1	9	10	
<i>Percentage</i>	8%	8%	5%	5%	5%	5%	4%	8%	2%	0%	1%	5%	5%	
Transferred out	16	12	15	11	11	12	10	10	10	0	2	6	10	
<i>Percentage</i>	7%	7%	7%	5%	6%	6%	4%	5%	5%	0%	2%	3%	5%	
ER shifts covered by doctors	55%	61%	63%	78%	92%	77%	74%	76%	100%	100%	93%	74%	79%	
Average Inpatient days per day	1.68	2.71	1.61	2.33	1.90	1.37	3.32	3.29	2.33	0.00	0.03	2.35	1.91	
Average Hospice days per day	0.00	0.50	0.32	0.47	1.03	0.67	0.55	0.52	0.00	0.00	0.07	0.61	0.39	
Average Swingbed days per day	0.19	0.18	0.45	0.60	1.10	0.33	1.74	0.94	0.13	0.00	0.00	0.61	0.52	
Average Observation days per day	0.87	0.43	0.65	0.33	0.68	0.67	0.97	1.39	0.43	0.00	0.00	0.68	0.59	
Average All Inpt. days per day	2.74	3.82	3.03	3.73	4.71	3.03	6.58	6.13	2.90	0.00	0.10	4.26	3.42	1.63
CTs	52	35	45	57	46	63	74	79	25	0	5	26	42	
Xrays	257	266	244	239	250	218	294	314	149	0	19	192	204	
Ultrasounds	18	33	28	28	28	23	45	43	18	0	0	16	23	
Encounters - Adult Clinic	673	643	618	635	616	525	557	617	469	483	494	585	576	
Encounters - Pediatric Clinic	334	346	320	341	287	217	235	250	236	154	250	423	283	
Behavioral Health patients	74	76	73	75	75	69	63	60	56	0	19	44	57	
Physical Therapy	8	3	4	6	5	7	9	7	8	0	2	2	5	

2020

Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average	Texas Average
ER Visits	187	178	193	147	162	166							172	
Conversion to Inpatient/observation	9	14	17	14	10	7							12	
<i>Percentage</i>	5%	8%	9%	10%	6%	4%							7%	
Transferred out	8	14	7	13	16	11							12	
<i>Percentage</i>	4%	8%	4%	9%	10%	7%							7%	
ER shifts covered by doctors	80%	82%	87%	72%	57%	70%							75%	
Average Inpatient days per day	2.68	3.28	2.23	2.13	2.42	2.33							2.51	
Average Hospice days per day	0.03	0.59	0.87	0.23	0.03	0.00							0.29	
Average Swingbed days per day	0.06	0.24	0.52	0.67	3.19	2.77							1.24	
Average Observation days per day	1.16	1.62	0.68	0.17	0.26	0.37							0.71	
Average All Inpt. days per day	3.94	5.72	4.29	3.20	5.90	5.47							4.75	1.63
CTs	56	71	59	39	56	48							55	
Xrays	270	268	185	160	200	169							209	
Ultrasounds	20	20	14	8	5	1							11	
Encounters - Adult Clinic	638	598	592	349	360	452							498	
Encounters - Pediatric Clinic	274	306	221	69	95	169							189	
Behavioral Health patients	45	44	39	0	0	0							21	
Physical Therapy	0	1	2	0	1	0							1	

Additional Items:

- *Continuing to follow through with protocol set by Chambers County.
- *Doing best we can to keep patients safe and confident while they receive care from our providers
- *Continuing to provide Adult and Pediatric clinic services
- *Onboarding new Internal Medicine Physician in place of Dr. James Slayton, DO
- *PHP/IOP
- *COVID-19 Drive in Winnie

Exhibit “G”

AGREEMENT FOR HEALTHCARE PROVIDERS

This Independent Contractor Agreement (“Agreement”) is made effective the 15th day of July 2020, between Winnie Stowell Hospital District, a political entity of the State of Texas (hereinafter referred to as “District”) and Mrs. Nancy Gaudet, Certified Irlen Diagnostician (hereinafter referred to as “Provider”).

In consideration of the mutual promises herein contained, the parties agree as follows:

1. **Services.** Provider agrees to:
 - Provide professional testing for Irlen syndrome and order lenses, if necessary, for any child that resides in the District as set forth in the District’s Indigent Healthcare Policy & Procedure Statement and is qualified to attend school within the East Chambers Independent School District.
 - Perform such services, in strict accordance with currently approved and accepted methods and practices of a Certified Irlen Diagnostician.
 - Provide services in a professional, timely and competent manner, and to comply with all applicable procedures, policies, and requirements of District, including, but not limited to establishing a process to document clients and to verify residency requirements of the children receiving services pursuant to this agreement.
 - Provide HIPPA compliant monthly and annual reports of the number of patients that received services provided for in this Agreement; amount of time spent with each patient; program evaluation; and budget status.
 - Provide such services as may be requested by District and as needed to discharge the duties and obligations of this Agreement.
2. **Contract Rate.** Provider shall be compensated for services performed under this Agreement in the amount of \$300.00 for the initial testing; and \$500.00 for the second round of testing and lenses if a child is confirmed to have Irlen Syndrom. Provider shall be paid only for work actually performed by Provider under the terms of this Agreement, and Provider shall not be entitled to any additional compensation or other benefits of any kind.
3. **Billing.** Provider shall invoice District each month, which invoice shall be due and payable 30 days from receipt. Invoices should be sent to the following District individual by way of first-class mail or electronic mail (i.e., e-mail):

Patricia Ojeda
Winnie-Stowell Hospital District
P.O. Box 1997

Winnie, Texas 77665

or

E-mail: Patricia@wshd-tx.com

4. **Term.** This Agreement shall be effective for a term of one (1) year beginning on July 15, 2020, unless terminated earlier in accordance with this Agreement. Thereafter, the contract may be extended on an annual basis if approved by the District's Board as part of its proposed budget adopted at the December regular meeting.
5. **Termination.** Either party may terminate this Agreement by providing thirty (30) days prior, written notice to the other party at any time. Additionally, either party may terminate this Agreement immediately as a result of a breach of any of the provisions or terms of this Agreement by the other party if the breaching party fails, after ten (10) days written notice, to cure such breach to the reasonable satisfaction of the non-breaching party. District may terminate this Agreement immediately if any of the representations of Provider in paragraphs 3, 4 or 8 of this Agreement become untrue.
6. **Independent Contractor.** Provider agrees to provide the professional services described herein as an independent contractor. It is mutually understood and agreed that Provider is at all times acting and performing these duties and functions in the capacity of an independent contractor; that District shall neither have nor exercise any control or direction over the methods by which Provider performs his or her services, nor shall District and Provider be deemed partners. District shall have the right to determine what services shall be provided, but not the manner in which services shall be provided. It is expressly agreed by the parties hereto that no work, act, commission or omission by Provider pursuant to the terms and conditions of this Agreement shall be construed to make or render Provider the agent, employee or servant of District. Provider shall be responsible for the payment of all federal, state, and local taxes incurred as a result of this Agreement, and further agrees to indemnify and hold District harmless from the same.
7. **Licensure and Professional Liability Insurance.** As a condition of this Agreement, the Provider shall maintain all applicable licenses and certification requirements and shall at all times during the term of this Agreement, meet all requirements of the State of Texas or other regulatory entity for such licensing, certification or credentialing. Provider shall maintain in force throughout the term of this Agreement such policies of professional liability insurance as shall be required to qualify Provider for coverage under the State of Texas Medical Malpractice statutes, and to insure Provider against any claim or claims for damage arising by reason of personal injuries or death occasioned directly or indirectly in connection with the performance or any service provided hereunder in such amount as shall be required from time to time under the statute. Provider shall demonstrate two (2) proofs of such insurance coverage by providing District with the applicable certificate or policy.

8. **Representations of Provider.** Provider represents and warrants that, except as previously disclosed in writing to District, the following are true with respect to each Provider (if applicable):
 - A. Provider's license or certification in any state has never been suspended, revoked, restricted, or deemed to be probationary;
 - B. Provider has never been reprimanded, sanctioned, or disciplined by any licensing or accrediting board;
 - C. There has never been entered against Provider a final judgment in a professional liability action and no action, based on an allegation of professional liability or malpractice by the Provider has ever been settled by payment to the plaintiff;
 - D. Provider has never been denied membership or reappointment of membership on the medical staff of any hospital, and no clinical privileges of the Provider have ever been suspended, curtailed, or revoked; and
 - E. As of the date hereof, Provider has not been the subject of any report or disclosure submitted to the National Practitioner Data Bank.
9. **Compliance with Laws.** Provider agrees to comply with all federal and state laws or regulations applicable to the services to be provided under this Agreement. The parties further agree that they will protect and secure the privacy and confidentiality of patient information and will comply with the requirements contained in the attached Business Associate Agreement. (See **Exhibit "A"**).
10. **Debarment.** Provider represents and warrants that Provider has never been sanctioned by the State of Texas or barred from any federal or state procurement programs or convicted of a criminal offense with respect to health care reimbursement. Provider shall notify District immediately if the foregoing representation becomes untrue, or if Provider is notified by the State of Texas or other enforcement agencies that an investigation has begun which could lead to such sanction, debarment, or conviction.
11. **Confidentiality.** The parties hereby acknowledge and agree that the terms of this Agreement shall be kept confidential and that neither party shall disclose matters related to this Agreement without the expressed written consent of the other party, unless required to disclose such information by statute, regulation or court order. In addition, during the term of this Agreement, each of the parties hereto may receive intentionally or unintentionally certain proprietary and confidential information (which may include confidential medical information and records) not otherwise a part of public domain through no fault of a party hereto ("Proprietary Information"), the disclosure of which would be extremely detrimental to the business affairs of the other. Therefore, each of the parties hereto (for itself and its

employees, agents and representatives) agrees to keep the Proprietary Information of the other in the strictest confidence and each agrees not to duplicate any Proprietary Information of the other and not to directly or indirectly divulge, disclose, reveal, report or transfer such Proprietary Information without the prior written consent of the other. This provision shall survive the termination of this Agreement.

12. **Indemnity.** PROVIDER AGREES TO INDEMNIFY AND HOLD HARMLESS DISTRICT, ITS EMPLOYEES, OFFICERS, AGENTS AND REPRESENTATIVES FROM AND AGAINST ANY LOSSES, COSTS, DAMAGES, AND EXPENSES RESULTING FROM ANY AND ALL CLAIMS ARISING OUT OF THE PROVIDER'S SERVICES UNDER THIS AGREEMENT. ____ (Initial)

13. **Notice.** Any notice required to be provided to any party to this Agreement shall be considered effective as of the date an electronical mail (i.e., e-mail) was sent; or the date deposit with the United States Postal Service by certified or registered mail, postage prepaid, return receipt and addressed to the party at the following address:

If to Provider:

Mrs. Nancy Gaudet
Certified Irlen Diagnostician

Phone: _____

Fax: _____

Email: _____

If to District:

Winnie-Stowell Hospital District
c/o Patricia Ojeda
P.O. Box 1997
Winnie, Texas 77665
E-mail: Patricia@wshd-tx.com

14. **Governing Law and Venue.** The validity, construction and effect of this Agreement, and all extensions and modifications thereof, shall be construed in accordance with the laws of the State of Texas without regard to its choice of law rules, and Chambers County, Texas shall be the exclusive venue for any suit, litigation or alternate dispute resolution brought pursuant to this Agreement.

15. **Dispute Resolution and Waiver of Jury Trial.** Prior to the commencement of a lawsuit by either party to this agreement, the Parties agree to mediate any dispute that may arise resulting from this Agreement or services provided. In the event that the Parties to this Agreement are not able to resolve their differences at mediation, the Parties agree to waive their right to a jury trial and have the dispute decided on by a District Court judge in Chambers, County, Texas.
16. **Medical Records.**
 - A. Provider agrees to complete all required charting in the medical record in a prompt and timely manner and in accordance with any applicable policies and procedure of required by the requisite licensing agency and the District. A copy of the District's Document Retention Policy is set forth in **Exhibit "B"**.
 - B. The ownership and right of control of all reports, records and supporting documents prepared in connection with the services contemplated herein shall vest exclusively with District and shall remain, at all times, at the District's office; provided, however, that Provider shall have such right of access to such reports, records and supporting documentation as necessary for the provision of professional services hereunder.
17. **No Assignment.** Neither this Agreement nor any rights or obligations hereunder shall be assigned by either party without the prior written consent of the non-assigning party.
18. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the matters contained herein, and supersedes any and all other discussions, statements and understandings regarding such matters. This Agreement shall be amended only upon the execution of a written agreement by both parties hereto. Any attempt to amend or modify this Agreement in any manner other than by written instrument executed by the parties shall be void.
19. **No Third-Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or permitted assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.

20. **Miscellaneous.**

- A. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.
- B. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other arrangement, statement or promise not contained in this Agreement shall be valid or binding.
- C. In addition to those remedies provided for herein, both parties shall have available all remedies provided by law.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement.

WINNIE STOWELL HOSPITAL

Mrs. Nancy Gaudet
Certified Irlen Diagnostician

Signed

Signed

Printed

Printed

HIPAA BUSINESS ASSOCIATE AGREEMENT

This HIPAA Business Associate Agreement is made the 15th day of July, 2020, ("Effective Date"), by and between Mrs. Nancy Gaudet, Certified Irlen Diagnostician ("Covered Person"); and Winnie Stowell Hospital District, a political subdivision of the State of Texas ("Business Associate" or "District").

ARTICLE 1 Applicability

- 1.1 Business Associate has entered into a Service Agreement dated July 15, 2020 to allow the Covered Person to provide testing for Irlen syndrome and order lenses, if necessary, to any child that that resides in the District and is qualified to attend school within the East Chambers Independent School District. During the course of the performance of such services, Business Associate may have access to certain individually identifiable health information maintained by Covered Entity. This Agreement applies to all present and future contracts and relationships between Covered Entity and Business Associate, written or unwritten, formal or informal, in which Covered Entity provides any Protected Health Information to Business Associate in any form whatsoever. As of the Effective Date, this Agreement automatically amends all existing agreements between Business Associate and Covered Entity involving the use or disclosure of Protected Health Information, including the Main Agreement. This Agreement shall automatically be incorporated in all subsequent agreements between Business Associate and Covered Entity involving the use or disclosure of Protected Health Information, in which a business associate relationship exists, whether or not specifically referenced therein. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any other agreement between Business Associate and Covered Entity, the provisions of this Agreement shall control unless Covered Entity specifically agrees to the contrary in writing.
- 1.2 Business Associate acknowledges that the provisions of the Federal Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") of 2009 imposes certain privacy and security obligations on Business Associate under the HITECH Act and under existing privacy and security standards at 45 Code of Federal Regulations Parts 160 and 164, as amended.

ARTICLE 2 Terms Used in this Agreement

- 2.1 "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, as amended by Federal Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") of 2009, and codified at 45 Code of Federal Regulations Parts 160 and 164.
- 2.2 "Privacy Rule" shall mean those rules and standards in 45 CFR Part 164, Subpart E.

- 2.3 “Security Rule” shall mean those rules and standards in 45 CFR Part 164, Subpart C.
- 2.4 “Breach Notification Rule” shall mean those rules and standards in 45 CFR Part 164, Subpart D.
- 2.5 “Business Associate” shall generally have the same meaning as the term “Business Associate” at 45 CFR 160.103, and in this Agreement shall mean Winnie Stowell Hospital District, a political entity of the State of Texas, and its directors, officers, employees, contractors and agents.
- 2.6 “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.130, and in this Agreement shall mean Winnie Community Hospital, and its directors, officers, employees, volunteers, and contractors.
- 2.7 Catch-All Definition. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- 2.8 Capitalized terms used but not otherwise defined in this Agreement shall have the same meaning as those terms in the HIPAA Rules.

ARTICLE 3
Obligations of Business Associate

- 3.1 Obligations. Business Associate agrees to:
- 3.1.1 Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;
- 3.1.2 Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;
- 3.1.3 Report to Covered Entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware;
- 3.1.4 In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

- 3.1.5 Make available protected health information in a designated record set to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524;
- 3.1.6 Make any amendment(s) to protected health information in a designated record set as directed or agreed to by the Covered Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526;
- 3.1.7 Maintain and make available the information required to provide an accounting of disclosures to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528;
- 3.1.8 To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and
- 3.1.9 Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

3.2 Permitted Uses and Disclosures by Business Associate.

- 3.2.1 Business Associate may only use or disclose protected health information as necessary to perform the services set forth in Agreement.
- 3.2.2 Business Associate may use or disclose protected health information as required by law.
- 3.2.3 Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Covered Entity's minimum necessary policies and procedures.
- 3.2.4 Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity.
- 3.2.5 Business Associate may use protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- 3.2.6 Business Associate may disclose protected health information for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was

disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

- 3.2.7 Business Associate may provide data aggregation services relating to the health care operations of the Covered Entity.

ARTICLE 4 Privacy Practices and Restrictions

- 4.1 Covered Entity shall notify Business Associate of any limitation(s) in the notice of privacy practices of covered entity under 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of protected health information.
- 4.2 Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect Business Associate's use or disclosure of protected health information.
- 4.3 Covered Entity shall notify Business Associate of any restriction on the use or disclosure of protected health information that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of protected health information.

Article 5 Permissible Requests by Covered Entity

- 5.1 Covered Entity shall not request Business Associate to use or disclose protected health information in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity.

Article 6 Term and Termination

- 6.1 Term. The Term of this Agreement shall begin upon the Effective Date and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or if it is infeasible to return or destroy Protected Health Information, protections are extended to such information.
- 6.2 Destruction of PHI. At the termination of the Agreement for whatever reason, Business Associate agrees to return or destroy all Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity and will not retain any copies. If return or destruction is not feasible, Business Associate agrees to an extension of the protections of this Agreement for as long as necessary to protect Covered Entity's Protected Health Information and to limit further uses and disclosures to those

purposes that make the return or destruction of Covered Entity's Protected Health Information unfeasible.

- 6.3 Consequences of Breach by Business Associate. On Covered Entity's learning of a material breach of this Agreement by Business Associate, Covered Entity shall provide an opportunity for Business Associate to cure the breach or end the violation. If Business Associate does not cure the breach or end the violation within fourteen (14) days of being notified by Covered Entity, or if cure or ending the violation is not possible, Covered Entity may terminate this Agreement and those portions of the Main Agreement that involve the disclosure to Business Associate of Covered Entity's Protected Health Information, or, if non-severable, the Main Agreement.

ARTICLE 7
Miscellaneous

- 7.1 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with HIPAA and its applicable implementing regulation.
- 7.2 Notices. All notices pursuant to this Agreement must be given in writing and shall be effective when received if hand-delivered or sent by facsimile or upon dispatch if sent by a reputable overnight delivery service or by U.S. Mail, certified, return receipt requested and addressed as follows:

To Covered Entity:

Mrs. Nancy Gaute, Gaudet
Certified Irlen Diagnostician

Phone: _____

Fax: _____

Email: _____

To Business Associate:

Winnie-Stowell Hospital District
c/o Patricia Ojeda
P.O. Box 1997
Winnie, Texas 77665
E-mail: Patriciasherrie@wshd-tx.com

- 7.3 Change in Law. On the enactment of any federal law or regulation, or law or regulation of any state to whose jurisdiction Covered Entity is subject, affecting the use or disclosure of Covered Entity's Protected Health Information, or on the publication of any decision of a court of the United States or of any state to whose jurisdiction Covered Entity is subject relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Covered Entity may, by written notice to Business Associate, amend this Agreement in such manner as Covered Entity determines necessary to comply with such law or regulation. If Business Associate disagrees with any such amendment, it shall so notify Covered Entity in writing within thirty (30) days of receipt of Covered Entity's notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate this Agreement and those portions of the Agreement that involve the disclosure to Business Associate of Covered Entity's Protected Health Information, or, if non-severable, the Agreement by written notice to the other.
- 7.4 Jurisdiction and Venue. This Agreement is governed by the laws of the State of Texas and the federal government. Venue shall be in Chambers County, Texas.
- 7.5 Severability. In the event that any provision of this Agreement violates any applicable statute, ordinance or rule of law in any jurisdiction that governs this Agreement, such provision shall be ineffective to the extent of such violation without invalidating any other provision of this Agreement.

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

COVERED ENTITY:

By: _____

Printed: _____

BUSINESS ASSOCIATE:

By: _____
WINNIE-STOWELL HOSPITAL DISTRICT
Printed: Edward Murrell
Title: President

Exhibit “H-1”

LTC Contract Renewal for 2020-2021

QIPP Outlook for Year 4 and 5:

One of this year's biggest achievements is LTC's efforts to assist in securing additional funding for the QIPP program by bringing the funding pool from \$450 million in Years 1 and 2, to \$600 million in year 3, and now to \$1.1 billion in Years 4, and 5. The program funding could increase again to \$1.5 billion if current efforts are successful.

Looking forward, we are currently working with stakeholders and TXHHSC to shape the program for Year 5 and continue to grow participation to all of TX's 1200 nursing homes. Again, these efforts, if successful, could lead to a renewal of the program for an additional five years.

MFAR:

LTC continues to lead efforts to combat or mitigate the implementation of the Medicaid Fiscal Accountability Regulation (MFAR). This issue continues to linger and we continue to work with stakeholders and lawmakers at the State and Federal level, as well as coordinate with the Executive Branch. This effort is of paramount importance as the proposed regulation jeopardizes our current structures and could end supplemental payment programs as we know them.

Relationship with Lender:

Lastly, LTC worked with the District's Lender to successfully persuade them to enable the District to capitalize one the split IGT payment scheme for the first half of Year 4 resulting in the District saving two (2) months of interest at \$84,597.98 per month or \$169,195.96 total.

Likewise, LTC has been working with District's Lender to allow the District to capitalize on its ability to fund more and more of its IGTs. As a result, in December 2020, if the District chooses, the District will be able to IGT up to \$6 million of an estimated \$12 million IGT. The net benefit to the District could be as much \$836,484.00.

Net Revenue for Years 1 through 3 and Projected Net Revenue for Years 3 & 4:

QIPP Year	1st IGT	2nd IGT	Total
1	<u>\$1,119,267</u>	<u>\$1,262,346</u>	<u>\$2,381,613</u>
2	\$1,391,743	\$1,651,290	\$3,043,033
3	\$2,064,953	\$1,937,606	\$4,002,560
*4	\$3,351,939	\$3,796,278	\$7,148,217
*5	\$3,105,115	\$3,796,279	\$6,901,394
			<u>\$23,476,817.00</u>

**Years 4 & 5 are based on 75% achievement.*

LTC Fee Request for Year 4:

LTC currently bill the District \$5,500 per month per facility to provide all the services in the existing Service Agreement. We are requesting an increase of \$500 per month per facility. A summary of this request is set forth below:

	Number of Homes	Fee per Home	Monthly Total	Annual Total
Current	24	\$5,500	\$132,500	\$1,584,000
Year 4	25	\$6,000	\$150,000	\$1,800,000
Difference	1	\$500	\$15,000	\$216,000

Exhibit “H-2”

FIFTH AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT

THIS FIFTH AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is effective as of September 1, 2020 (“Effective Date”), by and between Winnie-Stowell Hospital District, a governmental entity and body politic established pursuant to Chapter 286 of the Texas Health & Safety Code, as amended (“Operator”), and LTC Group, LLC, a Texas limited liability company (“LTC Group”).

RECITALS

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

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

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

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

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

WHEREAS, Operator and LTC Group previously executed a First Amended and Restated Professional Services Agreement (“First Amended Agreement”) a Second Amended and Restated Professional Services Agreement (“Second Amended Agreement”); and Third Amended and Restated Professional Services Agreement (“Third Amended Agreement”)

WHEREAS, Operator and LTC Group now desire to amend and restate Third Amended Agreement, as hereinafter set forth;

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

ARTICLE 1. DEFINITION OF TERMS

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

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

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

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

ARTICLE 2. ENGAGEMENT OF LTC GROUP

2.1 Engagement.

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

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

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

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

2.4 Representations and Warranties.

2.4.1 Operator represents and warrants to LTC Group as follows:

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

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

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

2.4.2 LTC Group represents and warrants to Operator as follows:

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

ARTICLE 3. TERM AND TERMINATION

- 3.1 Term. This Agreement shall commence on the Effective Date and, subject to Sections 3.2 and 3.3, shall expire on August 31, 2020 (the "Initial Term"). The term shall be automatically extended for successive one (1) year periods ("Extended Terms") unless (i) Operator provides at least thirty (30) days' written notice prior to the expiration of the Initial Term or any Extended Term, or (ii) the Agreement is terminated in accordance with the provisions of Sections 3.2 through 3.3. At the expiration of the Initial Term or any Extended Term, Operator and LTC Group desire and agree to use good faith efforts to negotiate mutually acceptable and reasonably appropriate modifications to the Agreement to address a change in any law, regulation, rule or reimbursement level, state or federal. Except as otherwise agreed to by the parties, the terms and conditions during any such Extended Term shall be the same as the terms and conditions during the Initial Term, provided that

the terms of Article 4 may be modified. Notwithstanding any other provision, this Agreement shall terminate upon the termination of the Management Agreement.

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

ARTICLE 4. COMPENSATION

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

ARTICLE 5. BOOKKEEPING AND BANK ACCOUNTS

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

- 5.1.2 LTC Group acknowledges that all records are and shall remain the property of Operator, subject to such access and review by LTC Group as permitted by applicable law.

ARTICLE 6. INSURANCE

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

ARTICLE 7. ACCESS AND USE OF FACILITY

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

ARTICLE 8. DEFAULT

- 8.1 Default and Events of Default by LTC Group. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, LTC Group for purposes of this Agreement:

8.1.1 LTC Group: (i) has become the subject of a decree or order for relief under any bankruptcy, insolvency or similar law affecting creditors' rights now existing or hereafter in effect; (ii) has initiated, either in an original proceeding or by way of answer in any state insolvency or receivership proceeding, an action for liquidation, arrangement, composition, readjustment, dissolution, or similar relief; (iii) has consented to any order for relief entered with respect to the LTC Group under the Federal Bankruptcy Code; or (iv) has failed to cause the dismissal of any proceeding instituted against the party under the Federal Bankruptcy Code, or the removal of any trustee appointed with respect to the party's property under the Federal Bankruptcy Code, within ninety (90) days of the commencement of such proceeding or appointment of such trustee, as the case may be.

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

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

- 8.2 Default and Events of Default by Operator. The following shall each constitute a "Default" by, and an "Event of Default" with respect to, Operator for purposes of this Agreement:

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

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

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

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

8.3 Remedies Upon an Event of Default

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

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

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

ARTICLE 9. INDEMNIFICATION AND HOLD HARMLESS

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

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

ARTICLE 10. ASSIGNMENT

10.1 Assignment

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

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

ARTICLE 11. MISCELLANEOUS

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

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

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

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

11.4 Applicable Law. This Agreement shall be construed under and shall be governed by the laws of the State of Texas.

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

11.6 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given on the date delivered, if delivered personally, on the fifth (5th) business day after being mailed by registered or certified mail (postage prepaid, return receipt requested), in each case, to the parties at the following addresses, or on the date sent and confirmed by electronic transmission to the telecopier number specified below (or at such other address or telecopier number for a party as shall be specified by notice given in accordance with this Section):

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

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

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

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

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

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

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

jurisdiction in connection with any dispute arising from this Agreement or the operation of the Facility. **THE PARTIES KNOWINGLY AND WILLINGLY WAIVE ANY RIGHTS THEY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY AND ALL DISPUTES THAT MAY ARISE FROM THIS AGREEMENT OR THE OPERATION OF THE FACILITY.**

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

Signature Page Follows

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

WINNIE-STOWELL HOSPITAL DISTRICT:

By: _____
Printed:
Title: President

LTC GROUP, LLC

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

**EXHIBIT A
FACILITIES AND SERVICES FEES**

Facility	Address	Service Fee
Park Manor of Cypress Station	420 Lantern Bend Dr, Houston, TX, 77090	\$6,000 per month
Park Manor of Humble	19424 McKay Dr, Humble, TX, 77338	\$6,000 per month
Park Manor of Westchase	11910 Richmond Ave, Houston, TX, 77082	\$6,000 per month
Park Manor of Cyfair	11001 Crescent Moon Dr, Houston, TX, 77064	\$6,000 per month
Park Manor of Quail Valley	2350 FM 1092, Missouri City, TX, 77459	\$6,000 per month
Park Manor of Conroe	1600 Grand Lake Dr, Conroe, TX, 77301	\$6,000 per month
Park Manor of The Woodlands	1014 Windsor Lakes Blvd, The Woodlands, TX, 77384	\$6,000 per month
Park Manor of Tomball	250 School St, Tomball, TX, 77375	\$6,000 per month
Park Manor of Southbelt	11902 Resource Pkway, Houston, TX, 77089	\$6,000 per month
Deerbrook Skilled Nursing	9250 Humble Westfield Rd, Humble, TX, 77338	\$6,000 per month
Friendship Haven Healthcare	1500 Sunset Dr, Friendswood, TX, 77546	\$6,000 per month
Marshall Manor Nursing and Rehabilitation Center	1007 S Washington Ave, Marshall, TX, 75670	\$6,000 per month
Park Manor of Willowbrook	227 Russell Blvd, Nacogdoches, Texas 75965	\$6,000 per month
Highland Park Care Center	2714 Morrison, Houston, TX, 77009	\$6,000 per month
Marshall Manor West	207 West Merritt St, Marshall, TX, 75670	\$6,000 per month
Golden Villa	1104 S William St, Atlanta, TX, 75551	\$6,000 per month
Rose Haven Retreat	200 Live Oak Street, Atlanta, TX, 75551	\$6,000 per month
Spring Branch Transitional Care Center	1615 Hillendahl Rd, Houston, TX, 77055	\$6,000 per month
Garrison Nursing Home and Rehabilitation Center	333 North FM 95, Garrison, TX, 75946	\$6,000 per month
Clairmont Beaumont	1020 S 23rd St, Beaumont, TX, 77707	\$6,000 per month
The Woodlands Healthcare Center	4650 S Panther Creek Dr, The Woodlands, TX 77381	\$6,000 per month
Monument Rehabilitation and Nursing Center	120 State Loop 92, La Grange, TX, 78945	\$6,000 per month
Oakland Manor Nursing Center	1400 N Main St, Giddings, TX, 78942	\$6,000 per month
Hallettsville Rehabilitation and Nursing Center	825 W Fairwinds, Hallettsville, TX, 77964	\$6,000 per month
Oak Manor Nursing Center	624 N Converse St, Flatonia, TX, 78941	\$6,000 per month

EXHIBIT B SERVICES

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

1. A regular review of the Facility's finances, including, but not limited to, the following:
 - a. Monthly Payor Mix Trending and Analysis;
 - b. Monthly Financial Benchmarking;
 - c. Monthly A/R Review;
 - d. Monthly Bad Debt Review;
 - e. Monthly Budget Review: As necessary, a review of Manager's collection and deposit of all net patient revenue to the depository account and management of the cash flow of the Facility, including, without limitation, billing all patients and governmental or other third-party payors for all services provided by or at the facility, collecting all net patient revenue and paying all operating expenses and other accounts payable related to the operation of the facility;
 - f. As necessary, a review of all books and records relating to the operation of the facility;
 - g. As necessary, a review of all cost, expense and reimbursement reports and related documents relating to services provided to residents, including without limitation the Medicare and Medicaid cost reports and Texas supplemental payment programs;
 - h. As necessary, review of Minimum Data Set ("MDS") and Resident Assessment Protocols ("RAPs") on a schedule and as required by applicable federal regulations, including 42 C.F.R. §483.20;
 - i. LTC Group, as necessary, shall request and review the HHSC annual RUG review/audit; and
 - j. A review of annual operating budget proposed by Manager.

2. A regular review of the Facility's operations, including, but not limited to, the following:
 - a. Daily census tracking and review of monthly occupancy report;
 - b. Quarterly on-site visit with facility administrator;
 - c. Monthly operational compliance monitoring;
 - d. As needed, assist with any survey, inspection or site investigation or accreditation process conducted by a governmental, regulatory, certifying or accrediting entity with authority or jurisdiction over the Facility, and assist with the implementation of any official findings of such reviews;
 - e. Assist Operator with any legal dispute in which Operator is involved relating to the ownership, services or operation of the facility; and
 - f. Assist Operator and its certified public accountants in connection with any audit, review or reports conducted or prepared in connection with the ownership or operation of the Facility.

3. A regular review of the Facility's clinic performance, including, but not limited to, the following:
 - a. Monthly Weight Assessment Review;
 - b. Monthly Skin Assessment Review;
 - c. As necessary, review clinical compliance for facilities;
 - d. As necessary, Annual Clinical Policy Review;
 - e. As needed, a review of the Facility's resident care and health care policies and procedures and general administrative policies and procedures, including, without limitation, policies and procedures for the control of revenue and expenditures, for the purchasing of supplies and services, for the control of credit, and for the scheduling of maintenance;
 - f. As necessary, assist facility in accordance with a quality assessment performance improvement program and a compliance plan; and

- g. As necessary, as reasonably requested, review and assist with quality assurance committee.
- 4. Upon the request of Operator, attend meetings of Operator's governing board or executive staff to discuss services and other relevant issues.
- 5. Financial services on behalf of the Operator:
 - a. Daily review of accounts for deposits; weekly wire transfers to the operators;
 - b. Review and/or prepare monthly reconciliation of back accounts;
 - c. Prepare month end closing journal entries for Operator financial statements;
 - d. Ensure financial mechanisms are in place to ensure timely distribution of funds to meet obligations;
 - e. Assist with annual Operator audits.
- 6. Assist the Operator to oversee and assure compliance with the Year 3, Quality Incentive Payment Program Components and Metrics.
- 7. Assist the Operator with other matters involving nursing home operations, including but not limited to, distribution of Covid-19 funds.
- 8. Manager will serve as Operator's agent for purposes of demonstrating operator involvement, as delineated in 42 CFR §483.75(f), such as proof of oversight, monitoring, or attendance.

Exhibit “I”

Loan 17b
Blocked Account Control
Agreement (“Shifting Control”)
August 1, 2020–March 31, 2021

AGREEMENT dated as of August 1, 2020, by and amount the Winnie Stowell Hospital District, a political entity of the State of Texas (“District”) and Salt Creek Capital, LLC (the “Lender”) and Interbank (“the Depository”). The parties hereto refer to Account No. 1755470228 (“the Account”) in the name of the District maintained at the Depository Bank and hereby agree as follows:

1. District and Lender notify Depository that by separate agreement District has granted Lender a security interest, attached hereto as **Exhibit A**, in the Account and all funds on deposit from time to time therein. Depository acknowledges being so notified.
2. The purpose of this Agreement is to perfect a lien against the District’s Texnet Account at Interbank in Graham, Texas, Account No. 1755470228, in the event the District defaults on the attached (8 Month) Short Term Commercial Note No. 17b signed on August 1, 2020 by the District. (See **Exhibit B**)

Prior to the Effective Time (as defined below) Depository shall honor all withdrawal, payment, transfer or other fund disposition or other instructions which the District is entitled to give under the Account Documentation (as hereinafter defined) (collectively, “instructions”) received from the District (but not those from Lender) concerning the Account. On and after the Effective Time (and without District’s consent), Depository shall honor all instructions received from Lender (but not those from District) concerning the Account and District shall have no right or ability to access or withdraw or transfer funds from the Account.

For the purposes hereof, the “Effective Time” shall be the opening of business on the business day next succeeding the business day on which a notice purporting to be signed by Lender in substantially the same form as **Exhibit C**, attached hereto, with a copy of this Agreement attached thereto (a “Shifting Control Notice”), is actually received by Depository; provided that if any such notice is so received after 2:00 PM, Central time, on any business day, the “Effective Time” shall be the opening of business on the second business day next succeeding the business day on which such receipt occurs; and provided further, that a “business day” is any day other than a Saturday, Sunday or other day on which Depository is authorized or required by law to be closed.

Notwithstanding the foregoing: (i) all transactions involving or resulting in a transaction involving the Account duly commenced by Depository or any affiliate prior to the Effective Time and so consummated or processed thereafter shall be deemed not to constitute a violation of this Agreement; and (ii) Depository and/or any affiliate may (at its discretion and without any obligation to do so) (x) cease honoring District’s instructions and/or commence honoring solely Lender’s instructions concerning the Account at any time or from time to time after it becomes aware that Lender has sent to it a Shifting Control Notice but prior to the Effective Time therefor (including without limitation halting, reversing or redirecting any transaction referred to in clause (i) above), or (y) deem a Shifting Control Notice to be received by it for purposes of the foregoing paragraph prior to the specified unit’s actual receipt if otherwise actually received by Depository (or if such Shifting Control Notice does not comply with the form attached hereto as **Exhibit C** or does not attach an appropriate copy of this Agreement), with no liability whatsoever to District or any other party for doing so.

3. This Agreement supplements, rather than replaces, Depository’s deposit account agreement, terms and conditions and other standard documentation in effect from time to time with respect to the Account or services provided in connection with the Account (the “Account Documentation”), which Account Documentation will continue to apply to the Account and such services, and the respective rights, powers, duties, obligations, liabilities and responsibilities of the parties thereto and hereto, to the extent not expressly conflicting with the provisions of this Agreement (however, in the event of any such conflict, the provisions of this Agreement shall control). Prior to issuing any instructions on or after the Effective Time, Lender shall provide Depository with such documentation as Depository may reasonably request to establish the identity and authority of the individuals issuing instructions on behalf of Lender. Lender may request the Depository to provide other services (such as automatic daily transfers) with respect to the Account on or after the Effective Time; however, if such services are not authorized or otherwise covered under the Account Documentation, Depository’s decision to provide any such services shall be made in its sole discretion (including without limitation being subject to District and/or Lender executing such Account Documentation or other documentation as Depository may require in connection therewith).
4. Depository agrees not to exercise or claim any right of offset, banker’s lien or other like right against the Account for so long as this Agreement is in effect except with respect to (i) returned or charged-back items, reversals or cancellations of payment orders and other electronic fund transfers or other corrections or adjustments to the Account or transactions therein, (ii) overdrafts in the Account or (iii) Depository’s charges, fees and expenses with respect to the Account or the services provided hereunder.
5. Notwithstanding anything to the contrary in this Agreement: (i) Depository shall have only the duties and responsibilities with respect to the matters set forth herein as is expressly set forth in writing herein and shall not be deemed to be an agent, bailee or fiduciary for any party hereto; (ii) Depository shall be fully protected in acting or refraining from acting in good faith without investigation on any notice (including without limitation a Shifting Control Notice), instruction or request purportedly furnished to it by District or Lender in accordance with the terms hereof, in which case the parties hereto agree that Depository has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Depository has no knowledge of (and is not required to know) the terms and provisions of the separate agreement referred to in paragraph 1 above or any other related documentation or whether any actions by Lender (including without limitation the sending of a Shifting Control Notice), District or any other person or entity are permitted or a breach thereunder or consistent or inconsistent therewith, (iv) Depository shall not be liable to any party hereto or any other person for any action or failure to act under or in connection with this Agreement except to the extent such conduct constitutes its own willful misconduct or gross negligence (and to the maximum extent permitted by law, shall under no circumstances be liable for any incidental, indirect, special, consequential or punitive damages); and (v) Depository shall not be liable for losses or delays caused by force majeure, interruption or malfunction of computer, transmission or communications facilities, labor difficulties, court order or decree, the commencement of bankruptcy or other similar proceedings or other matters beyond Depository’s reasonable control.

6. District hereby agrees to indemnify, defend and save harmless Depository against any loss, liability or expense, including reasonable fees and disbursements of counsel (collectively, "Covered Items"), incurred in connection with this Agreement or the Account (except to the extent due to Depository's willful misconduct or gross negligence) or any interpleader proceeding relating thereto or incurred as a result of following District's direction or instruction. Lender hereby agrees to indemnify, defend and save harmless Depository against any Covered Items incurred (i) on or after the Effective Time in connection with this Agreement or the Account (except to the extent due to Depository's willful misconduct or gross negligence) or any interpleader proceeding related thereto, (ii) as a result of following Lender's direction or instruction (including without limitation Depository's honoring of a Shifting Control Notice) or (iii) due to any claim by Lender of an interest in the Account or the funds on deposit therein.
7. Depository may terminate this Agreement (i) in its discretion upon the sending of at least thirty (30) days' advance written notice to the other parties hereto or (ii) because of a material breach by District or Lender of any of the terms of this Agreement or the Account Documentation, upon the sending of at least five (5) days advance written notice to the other parties hereto. Lender may terminate this Agreement in its discretion upon the sending of at least three (3) days advance written notice to the other parties hereto, provided that Depository may shorten or waive the requirement that Lender's notice be in advance and any such shortening or waiver shall be binding on all parties. Any other termination or any amendment or waiver of this Agreement shall be effected solely by an instrument in writing executed by all the parties hereto. The provisions of paragraphs 5 and 6 above shall survive any such termination.
8. District shall compensate Depository for the opening and administration of the Account and services provided hereunder in accordance with Depository's fee schedules from time to time in effect. Payment will be effected by a direct debit to the Account.
9. This Agreement: (i) may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument; (ii) shall become effective when counterparts hereof have been signed by the parties hereto; and (iii) **shall be governed by and construed in accordance with the laws of the State of Texas.** All notices under this Agreement shall be in writing and sent (including via emailed pdf or similar file or facsimile transmission) to the parties hereto at their respective addresses, email addresses or fax numbers set forth below (or to such other address, email address or fax number as any such party shall designate in writing to the other parties from time to time).

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

WINNIE-STOWELL HOSPITAL DISTRICT				SALT CREEK CAPITAL, LLC			
By:		Date: August 1, 2020		By:		Date: August 1, 2020	
Name:		Edward Murrell		Name:		Alfred G. Allen, III	
Title:		President		Title:		Manager	
Address for Notices:		P.O. Box 1997, 538 Broadway Winnie, Texas 77665		Address for Notices:		P.O. Box 930, 455 Elm Street, Suite 100 Graham, Texas 76540	
Fax No.:		(409) 296-6326		Fax No.:		(940) 549-5691	
Email Address:		Murrelledward@yahoo.Com		Email Address:		aga@turnerandallen.com	
INTERBANK							
By:		Date: August 1, 2020					
Name:		Harold Wilbanks					
Title:		Sr. Vice President					
Address for other Notices: InterBank 455 Elm Street Graham, Texas 76450 Attention: <u>Harold Wilbanks</u> Email: <u>harold.wilbanks@interbankus.com</u> Fax No.: _____				Address for Shifting Control and Termination Notices: InterBank 455 Elm Street Graham, Texas 76450 Attention: <u>Harold Wilbanks</u> Email: <u>harold.wilbanks@interbankus.com</u> Fax No.: _____			

Exhibit A

Exhibit B

Exhibit C

SHIFTING CONTROL NOTICE

InterBank
455 Elm Street
Graham, Texas 76450
Attention: Harold Wilbanks
Email: harold.wilbanks@interbankus.com
Fax No.: _____

Re: Blocked Account Control Agreement (“Agreement”) dated as of August 1, 2020 among the Winnie Stowell Hospital District (“Debtor”), Salt Creek Capital, LLC (“Secured Party”), and Interbank relating to Account(s) 1755271008.

Ladies and Gentlemen:

This constitutes a Shifting Control Notice as referred to in paragraph 2 of the Agreement, a copy of which is attached hereto.

SALT CREEK CAPITAL, LLC
By:

Name: Alfred G. Allen, III
Title: Manager

Date: August 1, 2020

Loan 17b
8 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
August 1, 2020–March 31, 2021

BORROWER INFORMATION

Winnie-Stowell Hospital District
538 Broadway
Winnie, Texas 77665

NOTE. This Commercial Promissory Note dated August 1, 2020, 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 March 31, 2021, (the Maturity Date), the Borrower promises to pay the principal amount of six million forty-two thousand seven hundred twelve and eighty-three hundredths dollars (\$6,042,712.83) 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: 1) Total Interest on this note is calculated by the following formula: $((\text{Principle} \times \text{annual interest}) / 365 \text{ days}) \times (8 \text{ months} \times 12)$; 2) to be paid in eight (8) equal payments of \$84,597.98 on the last day of each month beginning on August 31, 2020 and continuing each month through March 31, 2021 (Maturity Date); and 3) thereafter, any unpaid interest accrued on the unpaid principal balance of this Note and the entire balance of unpaid principal shall be finally due and payable, without notice or demand on the Maturity Date. 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 August 1, 2020, 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

LOAN 17b
SECURITY AGREEMENT FOR
8 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
August 1, 2020–March 31, 2021

Effective as of August 1, 2020, 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. 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.

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

This Security Agreement (this “Agreement”) is made to secure Note, (8 Month) Short Term Commercial Note signed on August 1, 2020 by the Debtor with a term ending March 31, 2021, 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 0. 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 Third Amended Transfer Procedures adopted by the Debtor's Board on April 18, 2018, 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