

Exhibit “A”



In the name and by the authority of

The State of Texas

THIS IS TO CERTIFY, that at a general election held on

Any Day, Any Month, Any Year

Kasey Lei Vratis

was duly elected

**Winnie Stowell Hospital District, at-large
Director**

In testimony whereof, I have hereunto signed my name and caused the Seal of State of Texas to be affixed at the Winnie Stowell Hospital District, this the 18th day of November, 2020.

**Signature of Presiding Officer of
Canvassing Authority**

Form 2204 - Oath of Office (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

An Oath of Office that is required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office. The Oath of Office may be administered to you by a person authorized under the provisions of Chapter 602 of the Texas Government Code. Authorized persons commonly used to administer oaths include notaries public and judges.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569. If faxed, the original Oath should also be mailed to the appropriate address above.

Email: Scanned copies of the executed Oath may be sent to register@sos.texas.gov. If sent by email, the original Oath should also be mailed to the appropriate address above.

NOTE: *Do not have the Oath of Office administered to you before executing and filing the Statement of Officer (Form 2201 – commonly referred to as the “Anti-Bribery Statement”) with the Office of the Secretary of State.*

Commentary

Pursuant to art. XVI, Section 1 of the Texas Constitution, the Oath of Office *may not* be taken until a Statement of Officer (see Form 2201) has been subscribed to and, as required, filed with the Office of the Secretary of State. Additionally, gubernatorial appointees who are appointed during a legislative session *may not* execute their Oath until after confirmation by the Senate. Tex. Const. art. IV, Section 12.

Officers Required to File Oath of Office with the Secretary of State:

Gubernatorial appointees

District attorneys

Appellate and district court judges

Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas

Associate judges appointed under subchapter B or C, chapter 201 of the Texas Family Code

Directors of districts operating pursuant to chapter 36 or 49 of the Texas Water Code file a duplicate original of their Oath of Office within 10 days of its execution. Texas Water Code, Sections 36.055(d) and 49.055(d)

Officers Not Required to File Oath of Office with the Secretary of State:

Members of the Legislature elected to a *regular* term of office will have their Oath of Office administered in chambers on the opening day of the session and recorded in the appropriate Journal. Members elected to an *unexpired* term of office should file their Oath of Office with either the Chief Clerk of the House or the Secretary of the Senate, as appropriate.

All other persons should file their Oaths locally. Please check with the county clerk, city secretary or board/commission secretary for the proper filing location.

As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local level elected officials to file with our office.

The Office of the Secretary of State does NOT file Statements or Oaths from the following persons: Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges (*except County Court of Law Judges who file with the Elections Division*), County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD's). Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions.

All state or county officers, other than the governor, lieutenant governor, and members of the legislature, who qualify for office, are commissioned by the governor. Tex. Gov't Code, Section 601.005. The Secretary of State performs ministerial duties to administer the commissions issued by the governor, including confirming that officers are qualified prior to being commissioned. Submission of this oath of office to the Office of the Secretary of State confirms an officer's qualification so that the commission may be issued.

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.texas.gov.

Revised 9/2017

Submit to:
SECRETARY OF STATE
Government Filings Section
P O Box 12887
Austin, TX 78711-2887
512-463-6334
FAX 512-463-5569
Filing Fee: None



OATH OF OFFICE

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF TEXAS,
I, _____, do solemnly swear (or affirm), that I will faithfully
execute the duties of the office of _____ of
the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws
of the United States and of this State, so help me God.

Signature of Officer

Certification of Person Authorized to Administer Oath

State of Texas

County of Chambers

Sworn to and subscribed before me on this 18th day of November, 2020.

(Affix Notary Seal,
only if oath
administered by a
notary.)

Signature of Notary Public or
Signature of Other Person Authorized to Administer An
Oath

Printed or Typed Name

Form 2201 - Statement of Officer (General Information)

The attached form is designed to meet minimal constitutional filing requirements pursuant to the relevant provisions. *This form and the information provided are not substitutes for the advice and services of an attorney.*

Execution and Delivery Instructions

A Statement of Officer required to be filed with the Office of the Secretary of State is considered filed once it has been received by this office.

Mail: P.O. Box 12887, Austin, Texas 78711-2887.

Overnight mail or hand deliveries: James Earl Rudder Officer Building, 1019 Brazos, Austin, Texas 78701.

Fax: (512) 463-5569.

Email: Scanned copies of the executed Statement may be sent to register@sos.texas.gov

NOTE: The Statement of Officer form, commonly referred to as the “Anti-Bribery Statement,” must be executed and filed with the Office of the Secretary of State before taking the Oath of Office (Form 2204).

Commentary

Article XVI, section 1 of the Texas Constitution requires all elected or appointed state and local officers to take the official oath of office found in section 1(a) and to subscribe to the anti-bribery statement found in section 1(b) before entering upon the duties of their offices.

Elected and appointed state-level officers required to file the anti-bribery statement with the Office of the Secretary of State include members of the Legislature, the Secretary of State, and all other officers whose jurisdiction is coextensive with the boundaries of the state or who immediately belong to one of the three branches of state government. Questions about whether a particular officer is a state-level officer may be resolved by consulting relevant statutes, constitutional provisions, judicial decisions, and attorney general opinions. For more information, see Op. Tex. Att’y Gen. No. JC-0575 (2002) (determining the meaning of “state officer” as it is used in Article XVI).

Effective September 1, 2017, Senate Bill 1329, which was enacted by the 85th Legislature, Regular Session, amended chapter 602 of the Government Code to require the following judicial officers and judicial appointees to file their oath and statement of officer with the secretary of state:

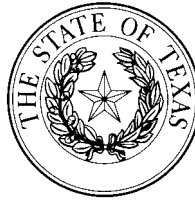
Officers appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; and
Associate judges appointed under Subchapter B or C, Chapter 201, Family Code.

Local officers must retain the signed anti-bribery statement with the official records of the office. *As a general rule, city and county officials do not file their oath of office with the Secretary of State—these officials file at the local level. The Legislature amended the Texas Constitution, Article 16, Section 1, in November 2001 to no longer require local elected officials to file with our office. **The Office of the Secretary of State does NOT file Statements or Oaths from the following persons:*** Assistant District Attorneys; City Officials, including City Clerks, City Council Members, Municipal Judges, Justices of the Peace, and Police/Peace Officers; Zoning/Planning Commission Members; County Officials, including County Clerks, County Commissioners, County Judges (*except County Court of Law Judges who file with the Elections Division*), County Tax Assessors, and District Clerks; and Officials of Regional Entities, such as, Appraisal Review Districts, Emergency Service Districts, and School Districts (ISD’s).

Questions about this form should be directed to the Government Filings Section at (512) 463-6334 or register@sos.texas.gov

Revised 09/2017

Form #2201 Rev. 09/2017
Submit to:
SECRETARY OF STATE
Government Filings
Section P O Box 12887
Austin, TX 78711-2887
512-463-6334
512-463-5569 - Fax
Filing Fee: None



STATEMENT OF OFFICER

Statement

I, Kasey Lei Vratis, do solemnly swear (or affirm) that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment for the giving or withholding of a vote at the election at which I was elected or as a reward to secure my appointment or confirmation, whichever the case may be, so help me God.

Title of Position to Which Elected/Appointed: Winnie Stowell Hosital District at-large Director

Execution

Under penalties of perjury, I declare that I have read the foregoing statement and that the facts stated therein are true.

Date: November 18, 2020

Signature of Officer

EXHIBIT “B-1”

Winnie-Stowell Hospital District
Balance Sheet
 As of October 31, 2020

	<u>Oct 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
100 Prosperity Bank -Checking	1,264,470.56
102 Prosperity Bank - CD#0447	109,295.59
104 Allegiance Bank - CD#9053	2,819,307.40
105 TexStar	690,265.80
107 InterBank ICS (Restricted)	
107.01b GIB 0228 DACA	250,000.00
107.01c GIB Collateral Funds	6,418,449.78
	<hr/>
Total 107 InterBank ICS (Restricted)	6,668,449.78
108 Allegiance Bank NH Combined	2,930,899.64
	<hr/>
Total Checking/Savings	14,482,688.77
Other Current Assets	
110 Sales Tax Receivable	116,206.43
114 Accounts Receivable NH	25,111,997.27
117 NH - QIPP Prog Receivable	
117.01 NH QIPP 1	222,093.64
117.02 NH QIPP 2	1,408,434.81
117.03 NH QIPP 3	-2,427,151.95
117.04 NH QIPP 4	7,716,434.56
	<hr/>
Total 117 NH - QIPP Prog Receivable	6,919,811.06
118 Prepaid Expense	257,305.00
119 Prepaid IGT	8,340,877.79
	<hr/>
Total Other Current Assets	40,746,197.55
	<hr/>
Total Current Assets	55,228,886.32
Fixed Assets	
120 Equipment	140,654.96
125 Accumulated Depreciation	-113,810.64
	<hr/>
Total Fixed Assets	26,844.32
	<hr/>
TOTAL ASSETS	55,255,730.64
	<hr/> <hr/>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
190 NH Payables Combined	2,930,716.60
201 NHP Accounts Payable	3,713,654.27
201.1 NH Payable - LTC	-20.00
210.17a Loan Payable 17a QIPP 4	6,042,712.83
210.17a Loan Payable 17b QIPP 4	6,042,712.83
210.50 Allegiance Bk Ln 4 QIPP3	256,002.05
225 FUTA Tax Payable	112.00
230 SUTA Tax Payable	251.31
240 Accounts Payable NH	19,342,663.01
	<hr/>
Total Other Current Liabilities	38,328,804.90
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Total Current Liabilities	38,328,804.90
	<hr/>
Total Liabilities	38,328,804.90

12:45 PM
11/18/20
Accrual Basis

Winnie-Stowell Hospital District
Balance Sheet
As of October 31, 2020

	<u>Oct 31, 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	9,697,916.23
Net Income	2,410,840.50
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Total Equity	16,926,925.74
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TOTAL LIABILITIES & EQUITY	55,255,730.64
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Winnie-Stowell Hospital District
Profit & Loss Budget vs. Actual
As of October 31, 2020

Accrual Basis

	Jan - Oct 20	Budget	\$ Over Budget	% of Budget
Income				
400 Sales Tax Revenue	567,987.02	500,000.00	67,987.02	113.6%
405 Investment Income	40,868.45	46,000.00	-5,131.55	88.8%
409 Tobacco Settlement	13,221.78	9,800.00	3,421.78	134.9%
415 Nursing Home - QIPP Program	26,523,199.40	34,690,788.07	-8,167,588.67	76.5%
Total Income	27,145,276.65	35,246,588.07	-8,101,311.42	77.0%
Gross Profit	27,145,276.65	35,246,588.07	-8,101,311.42	77.0%
Expense				
500 Admin-Administrative Salary	51,666.67	63,000.00	-11,333.33	82.0%
504 Admin-Administrators PR Tax	4,715.27	4,800.00	-84.73	98.2%
505 Admin-Board Bonds	150.00	250.00	-100.00	60.0%
515 Admin-Bank Service Charges	70.20	360.00	-289.80	19.5%
521 Professional Fees - Acctng	16,437.50	25,000.00	-8,562.50	65.8%
522 Professional Fees-Auditing	23,450.00	25,000.00	-1,550.00	93.8%
523 Professional Fees - Legal	10,000.00	25,000.00	-15,000.00	40.0%
550 Admin-D&O / Liability Ins.	9,601.04	9,331.00	270.04	102.9%
560 Admin-Cont Ed, Travel	200.00	5,000.00	-4,800.00	4.0%
561 Admin-Cont Ed-Medical Pers.	1,501.41	5,000.00	-3,498.59	30.0%
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 Supp. & Exp.	2,497.93	6,800.00	-4,302.07	36.7%
572 Admin-Web Site	485.00	1,500.00	-1,015.00	32.3%
573 Admin-Copier Lease/Contract	2,353.49	2,500.00	-146.51	94.1%
575 Admin-Cell Phone Reimburse	1,500.00	1,800.00	-300.00	83.3%
576 Admin-Telephone/Internet	2,248.08	3,000.00	-751.92	74.9%
590 Admin-Election Cost	0.00	5,000.00	-5,000.00	0.0%
591 Admin-Notices & Fees	2,526.69	5,000.00	-2,473.31	50.5%
592 Admin Office Rent	7,500.00	7,080.00	420.00	105.9%
593 Admin-Utilities	1,076.86	1,800.00	-723.14	59.8%
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%
598 Admin-Building Maintenance	2,056.06			
600 East Chambers ISD Partnersh	150,000.00	180,000.00	-30,000.00	83.3%
601 IC-Pmt to Hosp (Indlgent)	196,669.36	196,669.36	0.00	100.0%
602 IC-WCH 1115 Waiver Prog	109,171.59	102,657.38	6,514.21	106.3%
603a IC-Pharmaceutical Costs	63,604.69	110,000.00	-46,395.31	57.8%
604a IC-Non Hosp Cost-Other	518.78	5,000.00	-4,481.22	10.4%
604b IC-Non Hosp Costs UTMB	163,504.68	250,000.00	-86,495.32	65.4%
605 IC-Office Supplies/Postage	351.98	1,200.00	-848.02	29.3%
607 IC-Non Hosp Costs-WSEMS	0.00	1,000.00	-1,000.00	0.0%
611 IC-Indlgent Care Dir Salary	37,786.87	45,611.15	-7,824.28	82.8%
612 IC-Payroll Taxes -Ind Care	2,952.20	3,500.00	-547.80	84.3%
615 IC-Software	11,090.00	13,308.00	-2,218.00	83.3%
616 IC-Travel	677.90	550.00	127.90	123.3%
617 IC -Youth Counseling	5,100.00	5,000.00	100.00	102.0%
629 - Property Acquisition	134,197.63	150,000.00	-15,802.37	89.5%
630 NH Program-Mgt Fees	6,413,077.62	8,752,055.52	-2,338,977.90	73.3%
631 NH Program-IGT	13,697,044.10	17,590,711.32	-3,893,667.22	77.9%
632 NH Program-Telehealth Fees	115,875.63	154,500.82	-38,625.19	75.0%
633 NH Program-Acctg Fees	0.00	35,000.00	-35,000.00	0.0%
634 NH Program-Legal Fees	184,671.54	190,000.00	-5,328.46	97.2%
635 NH Program-LTC Fees	1,356,000.00	1,692,000.00	-336,000.00	80.1%
637 NH Program-Interest Expense	1,838,883.28	2,109,782.67	-270,899.39	87.2%
638 NH Program-Bank Fees & Misc	25.00	300.00	-275.00	8.3%
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	109,855.00	110,000.00	-145.00	99.9%
653 Service Fee	0.00	100.00	-100.00	0.0%
Total Expense	24,734,436.15	31,909,509.22	-7,175,073.07	77.5%
Net Income	2,410,840.50	3,337,078.85	-926,238.35	72.2%

EXHIBIT “B-2”

WSDH Treasurer's Report an+A1:F227d Supporting Documents

Reporting Date: Wednesday, November 18, 2020					
Pending Expenses		For	Amount	Funds Summary	Totals
Brookshire Brothers	Indigent Care		\$1,373.92	Prosperity Operating	\$896,641.09
Wilcox Pharmacy	Indigent Care		\$1,542.11	Interbank (Restricted)	(\$1,257,038.45)
UTMB at Galveston	Indigent Care		\$5,721.41	Interbank (Unrestricted)	\$7,109,302.75
UTMB Faculty Group	Indigent Care		\$2,430.00	Prosperity CD	\$109,295.59
Indigent Healthcare Solutions	IC Inv #70829		\$1,109.00	TexStar	\$690,122.41
American Education Services	S Stern-Student Loan		\$150.14	Allgeiance Bank LOC (Available)	\$2,819,307.40
Penelope (Polly) Butler	Youth Counseling		\$170.00	Net Cash Position (less Interbank Restricted)	\$11,624,669.24
Nicki Holtzman	Youth Counseling		\$425.00	Pending Expenses	\$0.00
Benckenstein & Oxford	Inv # 49915		\$7,700.00	Ending Balance (Does not include Interbank)	\$11,624,669.24
Hubert Oxford	1/2 Legal Retainer		\$500.00	Last Month	
Josh Heinz	1/2 Legal Retainer		\$500.00	Prosperity Operating	\$1,334,590.61
David Sticker	Inv #22335		\$1,625.00	Interbank-restricted	(\$1,516,708.57)
Technology Solutions of Texas	Inv #1491		\$75.00	Interbank-unrestricted (Adjusted)	\$3,367,313.24
Felipe Ojedia-Yard Service	Inv #10004		\$300.00	Prosperity CD	\$109,295.59
Graciela Chavez-Office Cleaning	Inv #8018589		\$100.00	TexStar	\$690,122.41
CNA Insurance-Edward Murrell	Inv. # 16074		\$50.00	Allgeiance Bank LOC (Available)	\$2,563,305.35
CAN Insurance-Jeff Rollic	Inv. # 16075		\$50.00	Net Cash Position (less Interbank)	\$8,064,627.20
Total Pending Expenses			\$23,821.58	Pending Expenses	(\$62,703.79)
				Ending Balance	\$8,001,923.41

Interbank Account Reconciliation

		To be Received	Total Due
GIB Balance 11/13		\$8,366,341.19	
IGT 7, QIPP Year 4, 1st Half-Component 1 Payments			
Component 1-Sept.		\$1,847,769.54	
Total Component 1, IGT 7		\$1,847,769.54	
Loan 17a Set Aside			
Loan 17a Payment-Sept.		(\$1,875,628.29)	
Total Loan 16 Set Aside		(\$1,875,628.29)	
Component 2			
Component 2-June due to MGRs.		(\$120,114.87)	
Component 2-July due to MGRs.		(\$100,445.84)	
Component 2-Aug due to MGRs.		(\$82,968.32)	
Component 2-Sept. Due to MGRs.		(\$165,527.89)	
Total Component 2 due to MGRs.		(\$469,056.92)	
Component 3			
Component 3-June due to MGRs.		(\$224,931.51)	
Component 3-July due to MGRs.		(\$207,240.28)	
Component 3-Aug. due to MGRs.		(\$164,593.91)	
Total Component 3 due to MGRs		(\$596,765.70)	
IGT Excess Payments-IGT 5			
Due to MGRs.		(\$22,019.87)	
Non-QIPP Funds due to NHs		\$0.00	
Interest Reserves			
Reserve Ln 17a		\$0.00	
Reserve Ln 17b		(\$169,195.96)	
Total Reserves		(\$169,195.96)	
Restricted		(\$1,257,038.45)	
Unrestricted		\$7,109,302.75	
Total Funds		\$8,366,341.19	\$0.00

Cash Availability Report-October 2020 to January 2021

Date	Transaction	Notes	Actual
November 2020			
	Cash Available	DOES NOT INCLUDE PROSPERITY CD &	\$10,825,251.24
July 15, 2020	Hospital Assistance	Pending	(\$167,000.00)
November 30, 2020	Operating Expenses	Recurring monthly (Monthly Avg. per Budget)	(\$50,000.00)
November 30, 2020	Component 1 Payment	October Component 1 Payment	\$1,875,628.29
November 30, 2020	Principle Payment-Loan 17a	Payment 6/10 for Loan 17a	(\$1,875,628.29)
CA November 30, 2020			\$10,608,251.24

December 2020			
December 1, 2020	QIPP Year 4, IGT 2 Line of Credit Payment	Use \$5,609,295.47 of LOC	(\$5,609,295.47)
December 1, 2020	Interest Set Aside-Loan 18	One time payment for Interest 12/1/2020-	(\$392,650.68)
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 31, 2020	LTC Payment	January	(\$150,000.00)
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	\$314,091.29
December 31, 2020	QIPP Year 4, Component 2	Component 2 Payment to MGRs	(\$157,045.64)
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	\$4,484,402.92

January 2021			
January 1, 2021	Payment to East Chambers	Recurring monthly	(\$15,000.00)
January 7, 2021	Allegiance Bank	Interest Payment	(\$6,700.00)
January 15, 2021	Sales Tax Revenue Estimate	Recurring monthly (Monthly Avg. per Budget)	\$41,666.67
January 31, 2021	LTC Payment	Jan-20	(\$150,000.00)
January 31, 2021	Interest-Loan 17a (8/10) and Interest-17b (6/10)	Recurring through 9/30/2020	(\$422,989.90)
January 31, 2021	QIPP Year 4, Component 2	Estimate based on IGT	\$342,034.59
January 31, 2021	QIPP Year 4, Component 2	Component 2 Payment to MGRs	(\$171,017.29)
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	(\$476,835.12)
January 31, 2021	Principle Payment-Loan 17b (7/8)	Payment 7/8 for Loan 17b	(\$1,625,460.87)
January 31, 2021	QIPP Year 4, Qtr. 1 Component 3, 4, and Lapsing Fund	Based on 75%	\$4,292,323.62
January 31, 2021	QIPP Year 4, Qtr. 1 Component 3, 4, and Lapsing Fund	Payment to Facilities	(\$2,146,161.81)
January 31, 2021	Principle Payment-Loan 17b-Reserve	Reserve for Loan 17a & b	(\$363,249.34)
CA January 31, 2021			\$5,768,323.94

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
1	6/30/2020	\$6,042,712.83	\$84,597.98
2	7/31/2020	\$6,042,712.83	\$84,597.98
3	8/31/2020	\$6,042,712.83	\$84,597.98
4	9/30/2020	\$6,042,712.83	\$84,597.98
5-(Sept. 2020, Comp. 1)	10/31/2020	\$6,042,712.83	\$84,597.98
6-(Oct. 2020, Comp. 1)	11/30/2020	\$6,042,712.83	\$84,597.98
7-(Nov. 2020, Comp. 1)	12/31/2020	\$6,042,712.83	\$84,597.98
8-(Dec. 2020, Comp. 1)	1/31/2021	\$6,042,712.83	\$84,597.98
Reserve		\$6,042,712.83	\$0.00
9 (Jan. 2021, Comp. 1)	2/28/2021	\$6,042,712.83	\$84,597.98
10 (Feb. 2021, Comp. 1)	3/31/2021	\$6,042,712.83	\$84,597.98
Amount Paid	3/31/2021	\$0.00	\$845,979.80
Amount Due: March 31, 2021			\$845,979.80
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	\$1,625,460.87	\$1,710,058.85
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	\$2,004,191.94	\$2,088,789.92
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

Outstanding Short Term Revenue Note-Loan 18					
Loan 18-Principle	(\$5,609,295.47)		Reserve	\$392,650.68	
Interest	16.80%	(\$863,831.50)			
Fund Received					
	Date	Balance	Interest	Principal Rcvd.	Payment
1	12/30/2020	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
2	1/31/2021	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
3	2/28/2021	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
4	3/31/2021	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
5-(Mar. 2021, Comp. 1)	4/30/2021	-\$5,609,295.47	(\$78,530.14)	\$1,856,232.12	\$1,777,701.99
6-(Apr. 2021, Comp. 1)	5/31/2021	-\$5,609,295.47	(\$78,530.14)	\$1,861,589.19	\$1,783,059.05
7-(May 2021, Comp. 1)	6/30/2021	-\$5,609,295.47	(\$78,530.14)	\$1,952,882.20	\$1,874,352.06
8-(June 2021, Comp. 1)	7/31/2021	-\$5,609,295.47	(\$78,530.14)	(\$11,279,998.98)	-\$11,358,529.12
Reserve		-\$5,609,295.47	\$0.00	\$0.00	\$0.00
9 (July 2021, Comp. 1)	8/31/2020	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
10 (Aug. 2021, Comp. 1)	9/30/2020	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
11	10/31/2020	-\$5,609,295.47	(\$78,530.14)	\$0.00	-\$78,530.14
Amount Paid		\$0.00	(\$863,831.50)	-\$5,609,295.47	-\$6,473,126.97
Amount Due: October 31, 2021			(\$863,831.50)	(\$5,609,295.47)	(\$6,473,126.97)
Amount Remaining				\$0.00	\$0.00

Allegiance Bank Line of Credit					
Principle (IGT 6)	\$2,819,307.40	Principle Balance Owed	\$0.00		
Interest	3.25%	LOC Funds Available	\$2,819,307.40		
	Date	Balance	Interest	Principal Rcvd.	Payment
1	1/7/2020	Interest Payment	\$8,166.66	\$0.00	\$8,166.66
2	2/7/2020	Interest Payment	\$6,027.78	\$0.00	\$6,027.78
3	3/7/2020	Interest Payment	\$5,638.89	\$0.00	\$5,638.89
4	4/7/2020	Interest Payment	\$6,027.78	\$0.00	\$6,027.78
5 - (March 2020, Comp. 1)	5/7/2020	Interest Payment	\$5,833.33	\$0.00	\$5,833.33
6 - (April 2020, Comp. 1)	6/7/2020	Interest Payment	\$6,027.78	\$0.00	\$6,027.78
7 - (June 2020, Comp. 1)	7/16/2020	Interest Payment	\$5,883.32	\$0.00	\$5,883.32
8-(July 2020, Comp. 1)	8/7/2020	Interest Payment	\$3,616.68	\$0.00	\$3,616.68
9-(Aug. 2020, Comp. 1)	9/7/2020	Interest Payment	\$3,616.66	\$0.00	
	10/7/2020	Interest Payment	\$3,500.00	\$0.00	
	10/19/2020	Principle Payment		\$1,743,997.95	
	11/7/2020	Interest Payment	\$3,616.67	\$0.00	
	11/13/2020	Principle Payment		\$256,002.05	
Balance Due	9/30/2020	Interest Payment	\$0.00	\$0.00	\$0.00
Amount Paid	9/30/2020	\$0.00	\$57,955.55	\$2,000,000.00	\$47,222.22

District's Investments					
	Amount	Percentage	From	To	Interest
*CD at Allegiance Bank C.D. #9503	\$2,819,307.40	1.40%	10/31/2020	10/31/2020	Paid Quarterly Oct 6 Pd 2,484.97
CD at Prosperity (Qtr.) C.D. #0447	\$109,295.59	0.40%	10/31/2020	10/31/2020	Paid \$478.68 August 27, 2020
Texstar C.D. #1110	\$690,265.80	0.20%	10/31/2020	10/31/2020	Paid \$67.41 Oct 2020

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.

Edward Murrell,
President

Robert "Bobby" Way
Treasurer/Investment Officer

Date

Date

Italics are Estimated amounts

Winnie-Stowell Hospital District
Bank Accounts Register
As of November 16, 2020

Type	Date	Num	Name	Memo	Clr	Debit	Credit	Balance
100 Prosperity Bank -Checking								127,828.24
Check	09/15/2020		Trinity Bay Conser...	13053-1010703000	X		47.89	127,780.35
Check	09/16/2020	3091	Brookshire Brothers	IC RXs Aug 2020	X		655.14	127,125.21
Check	09/16/2020	3092	Wilcox Pharmacy	IC RXs Aug 2020	X		434.51	126,690.70
Check	09/16/2020	3093	UTMB at Galveston	IC Batch Date 08.11.2020	X		9,304.11	117,386.59
Check	09/16/2020	3094	UTMB Faculty Gro...	IC Batch Date 08.11.2020	X		1,557.80	115,828.79
Check	09/16/2020	3096	Indigent Healthca...	Inv #70500	X		1,109.00	114,719.79
Check	09/16/2020	3097	American Educati...	92 5529 5461 S Stern	X		150.14	114,569.65
Check	09/16/2020	3098	Grace Nichols, ME...	IC Batch Date 08.09.2020	X		255.00	114,314.65
Check	09/16/2020	3099	Benckenstein & O...	Inv #49851	X		15,325.00	98,989.65
Check	09/16/2020	3100	Hubert Oxford	1/2 Legal Retainer	X		500.00	98,489.65
Check	09/16/2020	3101	Josh Heinz	1/2 Legal Retainer	X		500.00	97,989.65
Check	09/16/2020	3102	David Sticker	Inv # 22233	X		1,531.25	96,458.40
Check	09/16/2020	3103	Technology Soluti...	Inv #1478	X		75.00	96,383.40
Check	09/16/2020	3104	Felipe Ojeda	Inv #10004 (yard service)	X		300.00	96,083.40
Check	09/16/2020	3105	Graciela Chavez	Invs 8018586 Aug & 8018587 Sep (o...	X		200.00	95,883.40
Check	09/16/2020	3106	The Seabreeze Be...	Inv #4656	X		360.00	95,523.40
Check	09/16/2020	3107	Hometown Press	Inv #2659	X		600.00	94,923.40
Check	09/16/2020	3108	Anthony Stramecki	Expense Reimbursement	X		146.41	94,776.99
Check	09/16/2020		Funcion 4-Lease f...	ACH, Withdrawal, Processed	X		206.82	94,570.17
Check	09/17/2020		Time Warner Cable	ACH, Withdrawal, Processed	X		211.95	94,358.22
Check	09/28/2020		Prosperity Bank (...)	ACH, Withdrawal, Processed	X		181.77	94,176.45
Liability C...	09/29/2020		QuickBooks Payro...	Created by Payroll Service on 09/25...	X		7,263.54	86,912.91
Paycheck	09/30/2020	DD1...	Norris, Sherrie	Direct Deposit	X			86,912.91
Paycheck	09/30/2020	DD1...	Ojeda, Patricia	Direct Deposit	X			86,912.91
Deposit	09/30/2020			Deposit, Processed	X	80.96		86,993.87
Check	10/02/2020		Entergy	ACH, Withdrawal, Processed	X		155.09	86,838.78
Check	10/07/2020		Allegiance Bank	ACH, Withdrawal, Processed	X		3,500.00	83,338.78
Deposit	10/09/2020		Texas Comptroller...	ACH, Deposit, Processed	X	57,012.47		140,351.25
Check	10/09/2020		IRS	ACH, Withdrawal, Processed	X		2,485.26	137,865.99
Check	10/14/2020	9950...	ECISD	Draft, Withdrawal, Processed	X		15,000.00	122,865.99
Check	10/16/2020		Funcion 4-Lease f...	ACH, Withdrawal, Processed	X		206.82	122,659.17
Check	10/19/2020		Time Warner Cable	ACH, Withdrawal, Processed	X		211.95	122,447.22
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	43,423.73		165,870.95
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	34,679.22		200,550.17
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	29,236.46		229,786.63
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	51,248.94		281,035.57
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	44,787.61		325,823.18
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	22,553.98		348,377.16
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	144,586.37		492,963.53
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	60,263.84		553,227.37
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	25,627.32		578,854.69
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	21,814.86		600,669.55
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	97,568.99		698,238.54
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	17,496.72		715,735.26
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	22,222.40		737,957.66
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	49,182.51		787,140.17
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	58,536.96		845,677.13
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	47,486.64		893,163.77
Check	10/20/2020			Dist 1/2 QY3 IGT Refund	X	68,151.19		961,314.96
Check	10/20/2020			Dist 1/2 QY3 IGT Refund	X	53,101.78		1,014,416.74
Check	10/20/2020			Dist 1/2 QY3 IGT Refund	X	48,589.35		1,063,006.09
Check	10/20/2020			Dist 1/2 QY3 IGT Refund	X	59,053.76		1,122,059.85
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	47,479.54		1,169,539.39
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	60,381.42		1,229,920.81
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	46,735.44		1,276,656.25
General J...	10/20/2020	1231...		Dist 1/2 QY3 IGT Refund	X	57,934.36		1,334,590.61
Check	10/21/2020	3109	Brookshire Brothers	IC RX's Sep 2020	X		5,571.49	1,329,019.12
Check	10/21/2020	3110	Wilcox Pharmacy	IC RX's Sep 2020	X		1,095.21	1,327,923.91
Check	10/21/2020	3111	UTMB at Galveston	IC Batch Date 09/30/2020	X		33,357.40	1,294,566.51
Check	10/21/2020	3112	UTMB at Galveston	VOID: IC Batch Date 09/02/2020	X			1,294,566.51
Check	10/21/2020	3113	Indigent Healthca...	Inv #70662	X		1,109.00	1,293,457.51
Check	10/21/2020	3114	American Educati...	92 5529 5461 S Stern	X		150.14	1,293,307.37
Check	10/21/2020	3115	Penelope S Butler...	IC Batch Date 09/01/2020	X		170.00	1,293,137.37
Check	10/21/2020	3116	Grace Nichols, ME...	YC Batch Date 09/01/2020	X		170.00	1,292,967.37
Check	10/21/2020	3117	Nicki Holtzman M...	YC Batch Date 09/01/2020	X		340.00	1,292,627.37
Check	10/21/2020	3118	Benckenstein & O...	Invoice #49885	X		7,750.00	1,284,877.37
Check	10/21/2020	3119	Hubert Oxford	1/2 Legal Fees	X		500.00	1,284,377.37

Winnie-Stowell Hospital District
Bank Accounts Register
As of November 16, 2020

Type	Date	Num	Name	Memo	Clr	Debit	Credit	Balance
Check	10/21/2020	3120	Josh Heinz	1/2 Legal Fees	X		500.00	1,283,877.37
Check	10/21/2020	3121	David Sticker	Invoice #22287	X		1,281.25	1,282,596.12
Check	10/21/2020	3122	Technology Soluti...	Invoice #1491	X		75.00	1,282,521.12
Check	10/21/2020	3123	Felipe Ojeda	Invoice #10005	X		300.00	1,282,221.12
Check	10/21/2020	3124	Graciela Chavez	Invoice #8018588	X		100.00	1,282,121.12
Check	10/21/2020	3125	Carroll R Hand Ins...	Invoice # 16034 Bond Renewal B Way			50.00	1,282,071.12
Check	10/21/2020	3126	Carroll R Hand Ins...	Invoice # 16035 Bond Renewal A Str...			50.00	1,282,021.12
Check	10/21/2020	3127	UTMB Faculty Gro...	IC Batch Date 09/02/2020	X		10,134.30	1,271,886.82
Check	10/26/2020		Prosperity Bank (...)	ACH, Withdrawal, Processed	X		589.59	1,271,297.23
Check	10/28/2020	9950...	Trinity Bay Conser...	Draft, Withdrawal, Processed	X		49.16	1,271,248.07
Liability C...	10/29/2020		QuickBooks Payro...	Created by Payroll Service on 10/26...	X		7,263.55	1,263,984.52
Paycheck	10/30/2020	DD1...	Norris, Sherrie	Direct Deposit	X			1,263,984.52
Paycheck	10/30/2020	DD1...	Ojeda, Patricia	Direct Deposit	X			1,263,984.52
Deposit	10/30/2020			Deposit, Processed	X	486.04		1,264,470.56
Deposit	11/06/2020			ACH Deposit AMERIGROUP CORPO ...			13,279.84	1,251,190.72
Check	11/09/2020		Entergy	ACH, Withdrawal, Processed	M		153.52	1,251,037.20
Check	11/09/2020	9950...	ECISD	Draft, Withdrawal, Processed	M		15,000.00	1,236,037.20
Check	11/09/2020		Allegiance Bank	ACH, Withdrawal, Processed	M		3,616.67	1,232,420.53
Check	11/10/2020		IRS	ACH, Withdrawal, Processed	M		2,485.24	1,229,935.29
Deposit	11/13/2020		Texas Comptroller...	Deposit		59,498.11		1,289,433.40
Check	11/13/2020		Allegiance Bank	Pay Off AB LOC			256,002.05	1,033,431.35
Check	11/13/2020			Wire Fee for AB transfer			20.00	1,033,411.35
Check	11/13/2020		LTC Group	Wire Transfer -Nov Inv			149,980.00	883,431.35
Check	11/13/2020		LTC Group	Wire Transfer Fee			20.00	883,411.35
Total 100 Prosperity Bank -Checking						1,329,220.97	573,637.86	883,411.35
107 InterBank ICS (Restricted)								250,000.00
107.01b GIB 0228 DACA								250,000.00
Deposit	09/17/2020			Transfer Deposit From IMMA 1 XX...	X	166,560.00		416,560.00
Check	09/17/2020		LTC Group	Wire Payment InterBank 126142 LT...	X		149,980.00	266,580.00
Check	09/17/2020		LTC Group	Wire Fee InterBank 126142 LTC GR...	X		20.00	266,560.00
Check	09/17/2020			Wire Payment InterBank 126141 W...	X		16,540.00	250,020.00
Check	09/17/2020			Wire Fee InterBank 126141 WSHD ...	X		20.00	250,000.00
Check	09/21/2020			Transfer Withdrawal To DDA XXXX...	X	14,413.00		264,413.00
Check	09/21/2020			Transfer Withdrawal To IMMA 1 ...	X		14,413.00	250,000.00
Check	09/23/2020			Transfer Withdrawal To DDA XXXX...	X	169,420.66		419,420.66
Check	09/23/2020			Transfer Withdrawal To IMMA 1 ...	X		169,420.66	250,000.00
Check	09/24/2020			Transfer Withdrawal To DDA XXXX...	X	626,139.92		876,139.92
Check	09/24/2020			Transfer Withdrawal To IMMA 1 ...	X		626,139.92	250,000.00
Check	09/25/2020			Transfer Withdrawal To DDA XXXX...	X	6,935.00		256,935.00
Check	09/25/2020			Transfer Withdrawal To IMMA 1 ...	X		6,935.00	250,000.00
Check	09/30/2020			Transfer Withdrawal To DDA XXXX...	X	101,677.93		351,677.93
Deposit	09/30/2020			Transfer Deposit From IMMA 1 XX...	X	5,337,390.38		5,689,068.31
Check	09/30/2020		Salt Creek Capital ...	Withdrawal	X		5,307,845.31	381,223.00
Check	09/30/2020			Wire Payment InterBank 126986 W...	X		109,855.00	271,368.00
Check	09/30/2020			Wire Payment InterBank 126987 W...	X		21,328.00	250,040.00
Transfer	09/30/2020			Wire Fee	X		20.00	250,020.00
Transfer	09/30/2020			Wire Fee-HMG Not my Watch	X		20.00	250,000.00
Check	10/01/2020			Transfer Withdrawal To DDA XXXX...	X	278,571.36		528,571.36
Deposit	10/01/2020			ACH Deposit WINNIE STOWELL WS...	X	334.68		528,906.04
Check	10/01/2020			Transfer Withdrawal To IMMA 1 ...	X		278,906.04	250,000.00
Deposit	10/05/2020			Transfer Deposit From IMMA 1 XX...	X	380.49		250,380.49
Check	10/05/2020		State Comptroller	ACH Payment STATE COMPTRLR 00...	X		380.49	250,000.00
Deposit	10/19/2020			Transfer Deposit From IMMA 1 XX...	X	1,946,354.19		2,196,354.19
Check	10/19/2020			Wire Fee InterBank 128230 WSHD ...	X		20.00	2,196,334.19
Check	10/19/2020			Wire Fee InterBank 128231 LTC GR...	X		20.00	2,196,314.19
Check	10/19/2020			Wire Payment InterBank 128230 W...	X		52,316.24	2,143,997.95
Check	10/19/2020		Allegiance Bank	Wire Payment InterBank 128232 Wl...	X		1,743,997.95	400,000.00
Check	10/19/2020		LTC Group	Wire Payment InterBank 128231 LT...	X		149,980.00	250,020.00
Check	10/19/2020		LTC Group	Wire Fee InterBank 128232 WINNIE ...	X		20.00	250,000.00
Check	10/22/2020			Transfer Withdrawal To DDA XXXX...	X	804,466.65		1,054,466.65
Check	10/22/2020			Transfer Withdrawal To IMMA 1 ...	X		804,466.65	250,000.00
Check	10/23/2020			Transfer Withdrawal To DDA XXXX...	X	306,252.18		556,252.18
Check	10/23/2020			Transfer Withdrawal To IMMA 1 ...	X		306,252.18	250,000.00
Check	10/28/2020			Transfer Withdrawal To DDA XXXX...	X	283,274.92		533,274.92
Check	10/28/2020			Transfer Withdrawal To IMMA 1 ...	X		283,274.92	250,000.00
Check	10/30/2020			Transfer Withdrawal To DDA XXXX...	X	559,630.18		809,630.18

Winnie-Stowell Hospital District
Bank Accounts Register
As of November 16, 2020

<i>Type</i>	<i>Date</i>	<i>Num</i>	<i>Name</i>	<i>Memo</i>	<i>Clr</i>	<i>Debit</i>	<i>Credit</i>	<i>Balance</i>
Check	10/30/2020			Transfer Withdrawal To IMMA 1 ...	X		390,434.22	419,195.96
Check	10/30/2020		Salt Creek Capital ...	Withdrawal	X		169,195.96	250,000.00
Check	11/02/2020			Transfer Withdrawal To DDA XXXX...		1,174,711.31		1,424,711.31
Check	11/02/2020			Transfer Withdrawal To IMMA 1 ...	M		1,174,711.31	250,000.00
Check	11/06/2020			Transfer Withdrawal To DDA XXXX...		523,180.10		773,180.10
Check	11/06/2020			Transfer Withdrawal To IMMA 1 ...	M		523,180.10	250,000.00
Total 107.01b GIB 0228 DACA						12,299,692.95	12,299,692.95	250,000.00
Total 107 InterBank ICS (Restricted)						12,299,692.95	12,299,692.95	250,000.00
TOTAL						13,628,913.92	12,873,330.81	1,133,411.35

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 10/04/20-10/04/20

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

Vendor #: 65460

GL #	Description	Amount
WSHD	Wshd	1,373.92
Expenditures		1,373.92
Reimb/Adjustments		
Grand Total		1,373.92

43 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1044*65460*27	WSHD	10/28/2020	74.67	0.00
1044*65460*28	WSHD	10/28/2020	415.54	0.00
1049*65460*53	WSHD	10/07/2020	9.36	9.36
1049*65460*54	WSHD	10/07/2020	10.16	10.16
1049*65460*55	WSHD	10/26/2020	11.04	11.04
1049*65460*56	WSHD	10/05/2020	12.19	12.19
1049*65460*57	WSHD	10/12/2020	13.48	13.48
1049*65460*58	WSHD	10/05/2020	13.81	13.81
1091*65460*40	WSHD	10/05/2020	18.15	18.15
1091*65460*41	WSHD	10/05/2020	20.14	20.14
1091*65460*42	WSHD	10/05/2020	462.81	462.81
1108*65460*15	WSHD	10/08/2020	8.35	8.35
1108*65460*16	WSHD	10/08/2020	12.37	12.37
1128*65460*25	WSHD	09/03/2020	8.47	8.47
1128*65460*26	WSHD	10/06/2020	11.54	11.54
1128*65460*27	WSHD	10/06/2020	11.74	11.74
1128*65460*28	WSHD	10/05/2020	12.28	12.28
1128*65460*29	WSHD	10/06/2020	18.52	18.52
1134*65460*27	WSHD	10/03/2020	10.42	10.42
1134*65460*28	WSHD	10/03/2020	12.59	12.59
1134*65460*29	WSHD	10/20/2020	15.22	15.22
1134*65460*30	WSHD	10/05/2020	18.96	18.96
1134*65460*31	WSHD	10/03/2020	19.03	19.03
1134*65460*32	WSHD	09/28/2020	12.51	0.00
1140*65460*26	WSHD	10/15/2020	10.08	10.08
1140*65460*27	WSHD	10/15/2020	10.87	10.87
1140*65460*28	WSHD	10/15/2020	11.05	11.05
1151*65460*5	WSHD	10/22/2020	8.46	8.46
1151*65460*6	WSHD	10/22/2020	9.74	9.74
1151*65460*7	WSHD	10/03/2020	10.08	10.08
1151*65460*8	WSHD	10/22/2020	10.20	10.20
1167*65460*10	WSHD	10/27/2020	42.18	42.18
1167*65460*11	WSHD	10/27/2020	415.54	415.54
2458*65460*17	WSHD	10/02/2020	9.36	0.00

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Issued 11/10/20

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 10/04/20-10/04/20

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

Vendor #: 65460

Invoice #	GL #	Date in	Amt Billed	Amt Paid
2475*65460*2	WSHD	10/29/2020	9.84	9.84
2475*65460*3	WSHD	10/29/2020	10.16	10.16
2475*65460*4	WSHD	10/29/2020	11.20	11.20
2475*65460*5	WSHD	10/29/2020	11.43	11.43
2475*65460*6	WSHD	10/29/2020	14.23	14.23
2475*65460*7	WSHD	10/29/2020	15.02	15.02
2475*65460*8	WSHD	10/29/2020	15.92	15.92
2815*65460*17	WSHD	10/01/2020	10.58	10.58
2815*65460*18	WSHD	10/01/2020	16.71	16.71
43 invoices, 43 line items			1,886.00	1,373.92
Grand Totals			1,886.00	1,373.92

43 total invoices
43 total line items

GL Totals

Issued 11/12/20

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 10/05/20-10/05/20Wilcox Pharmacy
P. O. Box 1850
Winnie, TX 77665

Vendor #: 18651

GL #	Description	Amount
WSHD	Wshd	1,542.11
Expenditures		1,542.11
Reimb/Adjustments		
Grand Total		1,542.11

43 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1040*18651*48	WSHD	10/26/2020	187.58	187.58
1040*18651*49	WSHD	10/10/2020	9.22	9.22
1093*18651*34	WSHD	10/28/2020	9.10	9.10
1093*18651*35	WSHD	10/10/2020	9.10	9.10
1093*18651*36	WSHD	10/23/2020	11.83	11.83
1093*18651*37	WSHD	10/13/2020	8.96	8.96
1095*18651*30	WSHD	10/21/2020	8.92	8.92
1095*18651*31	WSHD	10/21/2020	10.66	10.66
1095*18651*32	WSHD	10/21/2020	11.61	11.61
1095*18651*33	WSHD	10/05/2020	9.37	9.37
1157*18651*27	WSHD	10/02/2020	11.48	11.48
1157*18651*28	WSHD	10/02/2020	18.78	18.78
1157*18651*29	WSHD	10/01/2020	8.47	8.47
1157*18651*30	WSHD	10/01/2020	8.58	8.58
1158*18651*14	WSHD	10/28/2020	11.75	11.75
1158*18651*15	WSHD	10/26/2020	9.96	9.96
1158*18651*16	WSHD	10/12/2020	9.10	9.10
1159*18651*6	WSHD	10/12/2020	19.55	19.55
1159*18651*7	WSHD	10/12/2020	14.35	14.35
1160*18651*15	WSHD	10/08/2020	16.00	16.00
1181*18651*47	WSHD	10/21/2020	8.37	8.37
1181*18651*48	WSHD	10/21/2020	10.63	10.63
1181*18651*49	WSHD	10/21/2020	13.75	13.75
1181*18651*50	WSHD	10/21/2020	9.10	9.10
1181*18651*51	WSHD	10/21/2020	8.99	8.99
1181*18651*52	WSHD	10/21/2020	9.79	9.79
1181*18651*53	WSHD	10/21/2020	8.98	8.98
1181*18651*54	WSHD	10/21/2020	9.88	9.88
1181*18651*55	WSHD	10/21/2020	11.90	11.90
1185*18651*18	WSHD	10/06/2020	8.98	8.98
1185*18651*19	WSHD	10/06/2020	15.88	15.88
1185*18651*20	WSHD	10/21/2020	39.51	39.51
1188*18651*1	WSHD	10/15/2020	30.80	30.80
1188*18651*2	WSHD	10/15/2020	43.54	43.54

GL Totals

Issued 11/12/20

Winnie Stowel Hospital District Indigent Healthcare Services
Batch Dates 10/05/20-10/05/20

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

Vendor #: 18651

Invoice #	GL #	Date in	Amt Billed	Amt Paid
1188*18651*3	WSHD	10/14/2020	555.98	555.98
1189*18651*5	WSHD	10/06/2020	9.86	9.86
1191*18651*1	WSHD	10/12/2020	15.75	15.75
1191*18651*2	WSHD	10/22/2020	10.94	10.94
1191*18651*3	WSHD	10/14/2020	10.63	10.63
1191*18651*4	WSHD	10/12/2020	45.27	45.27
1191*18651*5	WSHD	10/12/2020	10.59	10.59
2942*18651*10	WSHD	10/12/2020	102.31	102.31
2942*18651*11	WSHD	10/12/2020	146.31	146.31

43 invoices, 43 line items	***		1,542.11	1,542.11
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Grand Totals			1,542.11	1,542.11
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43 total invoices
43 total line items

©IHS
 Issued 11/09/20

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 10/02/20-10/02/20

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

Vendor #: 63614

GL #	Description	Amount
WSHD	Wshd	5,721.41
	Expenditures	5,721.41
	Reimb/Adjustments	
	Grand Total	5,721.41

12 total invoices

GL Totals Detail
Invoice #

GL #	Date in	Amt Billed	Amt Paid
1019*63614*1	09/08/2020	1,246.00	299.04
1040*63614*28	09/14/2020	323.00	77.52
1040*63614*29	09/03/2020	14,430.21	3,463.25
1040*63614*30	09/01/2020	274.00	65.76
1044*63614*5	09/02/2020	2,697.00	647.28
1044*63614*6	09/23/2020	323.00	77.52
1096*63614*8	09/08/2020	291.00	69.84
1108*63614*3	08/31/2020	1,455.00	349.20
1108*63614*4	08/30/2020	274.00	65.76
1128*63614*11	09/10/2020	523.00	125.52
1181*63614*6	09/14/2020	1,480.00	355.20
1190*63614*1	09/18/2020	523.00	125.52
12 invoices, 12 line items	***	23,839.21	5,721.41
Grand Totals		23,839.21	5,721.41

12 total invoices
 12 total line items

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 Issued 11/09/20

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 10/02/20-10/02/20

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

Vendor #: 63615
 NPI: 1942241146

GL #	Description	Amount
WSHD	Wshd	2,430.00
Expenditures		2,430.00
Reimb/Adjustments		
Grand Total		2,430.00

14 total invoices

**GL Totals Detail
 Invoice #**

GL #	Date in	Amt Billed	Amt Paid
1019*63615*1	09/08/2020	415.00	95.54
1019*63615*1	09/08/2020	80.00	28.22
1019*63615*1	09/08/2020	80.00	28.55
1040*63615*29	09/03/2020	305.00	59.99
1040*63615*29	09/03/2020	83.00	29.51
1040*63615*30	09/03/2020	960.00	589.31
1040*63615*31	09/03/2020	1,465.00	410.20
1040*63615*31	09/03/2020	1,465.00	517.72
1044*63615*12	09/23/2020	415.00	95.54
1044*63615*13	09/02/2020	33.00	8.89
1044*63615*13	09/02/2020	25.00	6.60
1044*63615*13	09/02/2020	23.00	6.10
1096*63615*7	09/08/2020	415.00	95.54
1128*63615*12	09/10/2020	270.00	56.08
1128*63615*13	09/10/2020	23.00	5.52
1146*63615*9	08/24/2020	93.00	22.32
1146*63615*10	07/06/2020	651.00	162.75
1146*63615*10	07/06/2020	216.00	54.00
1181*63615*9	09/14/2020	270.00	56.08
1190*63615*1	09/18/2020	25.00	6.00
1190*63615*2	09/18/2020	415.00	95.54
14 invoices, 21 line items	***	7,727.00	2,430.00

Grand Totals **7,727.00** **2,430.00**

14 total invoices
 21 total line items

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

Invoice # 70829

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

RECEIVED
OCT 30 2020

Date: 11/1/2020

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

Terms: Net receipt of invoice

Professional services for the month of December 2020

1,109.00

Total

\$1,109.00

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

THANK YOU FOR YOUR BUSINESS!!!

IHS



RECEIVED

NOV 17 2020

30903001888601

November 4, 2020

MONTHLY BILL

Name: SHERRY STERN
Account Number: 92 5529 5461

Payment Summary table with columns: Description, Amount. Rows: Last Payment Received (10/28/2020), Current Payment Due (\$150.14), Total Due by 11/25/2020 (\$150.14)

YOUR LOAN DETAILS

Table with 9 columns: Loan Sequence, Date Disbursed, Loan Program, Original Balance, Current Balance, Outstanding Interest, Interest Rate, Monthly Payment, Current Due. Rows for loans *1002 and *1001.

Outstanding interest accrued as of 11/04/2020

*Late fees will be assessed in accordance to the requirements set forth by the loan owner. Each unique owner/loan program may have differing late fee requirements.

Table with 2 columns: Received After This Date, Late Fee to be Assessed. Row: 12/09/2020, \$7.50

ADDITIONAL LOAN DETAILS

See below for the Current Owner and Repayment Term for each loan listed.

Table with 5 columns: Loan Sequence, Date Disbursed, Loan Program, Current Owner, Repayment Term. Row for loan *1002.

You may continue to pay the full Monthly Payment amount if your loans are paid ahead (the Current Due is less than the Monthly Payment amount). It may be necessary to continue to pay the full Monthly Payment amount when your loans are paid ahead in order to qualify for benefit programs...

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

Customer Statement

(IF LATE, SEE ABOVE)

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

Account Number:

Due Date:

Total Amount Due:

92 5529 5461

11/25/2020

\$

Grid for writing the amount enclosed.

\$150.14

2020309019255295461100001501400000000000000004

#BWNDHKB
#B612 1327 2511 04L8#
SHERRY STERN
9302 EAGLES LNDG
MAGNOLIA TX 77354-6865



AMERICAN EDUCATION SERVICES
P.O. BOX 65093
BALTIMORE, MD 21264-5093

Loan Sequence	Date Disbursed	Loan Program	Current Owner	Repayment Term
*1001	11/29/2006	UNCNS	CIT EDUCATION LOAN T	240

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	\$25.63
Principal Satisfied	\$124.51
Late Fees Paid	\$0.00

As of today, you've paid on your loans	\$17,566.39
Total Interest Satisfied	\$5,093.28
Total Principal Satisfied	\$12,465.61
Total Late Fees Paid	\$7.50

The Total Principal Satisfied includes any payment that satisfies principal (not just payments made by you) and may include consolidation payments, refunds, cancellation payments, returned disbursements, etc.

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 Issued 11/09/20

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 10/02/20-10/02/20

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 #

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC17*13632*14	WSHD	10/09/2020	85.00	85.00
YC17*13632*14	WSHD	10/23/2020	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

©IHS
 Issued 11/09/20

GL Totals

Winnie Stowel Hospital District Indigent Healthcare Services
 Batch Dates 10/02/20-10/02/20

Nicki Holtzman
 5825 Phelan, Ste. 104
 Beaumont, TX 77706

Vendor #: 90007

GL #	Description	Amount
WSHD	Wshd	425.00
	Expenditures	425.00
	Reimb/Adjustments	
	Grand Total	425.00

3 total invoices

GL Totals Detail

Invoice #	GL #	Date in	Amt Billed	Amt Paid
YC01*90007*2	WSHD	10/14/2020	85.00	85.00
YC01*90007*2	WSHD	10/20/2020	85.00	85.00
YC01*90007*2	WSHD	10/28/2020	85.00	85.00
YC24*90007*2	WSHD	10/19/2020	85.00	85.00
YC26*90007*1	WSHD	10/26/2020	85.00	85.00
3 invoices, 5 line items			425.00	425.00
Grand Totals			425.00	425.00

3 total invoices
 5 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

November 17, 2020

Mr. Edward Murrell
President
Winnie Stowell Hospital District
520 Broadway
Winnie, Texas 77665

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

Dear President Murrell,

Attached, please find Benckenstein & Oxford's monthly time entry invoice for July 2020. This invoice is for \$8,700.00 but the amount due is \$7,700.00 after reducing the invoice by \$1,000.00 for the monthly retainer already paid.

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 \$7,700.00 representing the balance owed for August 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

November 17, 2020

INVOICE #: 49915 **HOIV**
Billed through: August 31, 2020
Client/Matter #: WSHD 87250

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

RE: Winnie-Stowell Hospital District

PROFESSIONAL SERVICES RENDERED

08/03/20	HOIV	Conference call with Lender to confirm final Loan amount for Loan 17a and exchanged four (4) e-mails with staff, LTC and Lender regarding funding of the loan.	0.80 hrs
08/04/20	HOIV	Exchanged seven (7) e-mails with staff and Pharmacies regarding Pharmacy Service Agreements and status of signatures.	0.60 hrs
08/04/20	HOIV	Conference call with Lender regarding December 2020 Loan 18 amounts.	0.40 hrs
08/04/20	HOIV	Read and reviewed agreement between the Department of Health and Human Services and various nursing facilities managed by Regency to enable Regency to test for Covid-19 virus.	0.40 hrs
08/04/20	HOIV	Read and reviewed Budget summaries prepared by ECISD as required by the District's Interlocal agreement with the school district; and responded to ECISD staff confirming that the information provided was satisfactory.	0.50 hrs
08/05/20	HOIV	Read and reviewed election agreement between the District and District. (Time split with TBCD.)	0.30 hrs
08/06/20	HOIV	Prepared updates to the District's Election Order and Notices and submitted to Elections Administrator for review.	1.30 hrs
08/07/20	HOIV	Researched COVID-19 CDC Guidelines and District policy to render an opinion on when staff may return to work following a diagnoses of COVID-19.	1.20 hrs
08/10/20	HOIV	Exchanged twenty-four (24) e-mails with staff, LTC and Managers regarding the reconciliation spreadsheet for Year 3, Qtr 3 Component 4 payment, Lapsing Funds, March, April and May Component 2 payments, and IGT True Up - Year 3 Q1 Q2, IGT #5; and assisted with the modification of the spreadsheets in order to correct them.	3.70 hrs
08/11/20	HOIV	Received e-mail from the State of Texas and reviewed attached spreadsheet regarding UC DY3 Withheld IGT Notification and exchanged three e-mails with staff regarding the same.	0.60 hrs
08/12/20	HOIV	Exchanged five (5) e-mails with staff and Hospital staff regarding UC DY3 Withheld IGT and putting approval of payment on Agenda for upcoming meeting.	0.70 hrs

08/13/20	HOIV	Received and reviewed proposed Y3Q3 Reconciliation spreadsheet to Managers and exchanged seven (7) e-mails with staff and Manager confirming Reconciliation spreadsheet was correct.	1.20 hrs
08/13/20	HOIV	Prepared draft set of minutes for July 15, 2020 Regular Meeting.	4.30 hrs
08/14/20	HOIV	Finalized draft set of minutes for July 15, 2020 and circulated to Board and staff to review.	2.00 hrs
08/17/20	HOIV	Prepared draft Public Notice to Replace Director Espinosa.	0.70 hrs
08/17/20	HOIV	Received and reviewed QIPP 1 Adjustment 3 Worksheet; and exchanged four (4) e-mails with staff and LTC Group concerning questions raised about QIPP 1 Adjustment 3 Worksheet.	0.60 hrs
08/19/20	HOIV	Prepared for and attended Regular Meeting.	3.00 hrs
08/19/20	HOIV	Worked with staff and LTC to prepare and update Treasurer's Report (i.e., Cash Availability Report for the first month) and gathered documents to create Board Binder to be circulated to Board prior to the upcoming Regular Meeting.	3.80 hrs
08/20/20	HOIV	Received and reviewed extensive FOIA regarding Marshall Manor nursing home submitted by Plaintiff's counsel for Rosie Stoker who was trying to serve the facility; participated in call with Plaintiff's counsel; and exchanged conference calls with Plaintiff's counsel representing the family of Rosie Stoker; seventeen (17) e-mails with staff and Manager regarding the need to accept service of the lawsuit filed against Marshall Manor.	2.30 hrs
08/20/20	HOIV	Received a request from Regency requesting the District write a letter authorizing Oakland Manor and Oak Manor Nursing Center to utilize the DPS Secure Site on Winnie-Stowell Hospital District's behalf; exchanged five (5) e-mails regarding the request; and then drafted the proposed letter for the Board President's signature.	0.80 hrs
08/24/20	HOIV	Received correspondence regarding the Stoker case and Marshall Manor and exchanged four e-mails with Manager confirming that they have accepted service in the case.	0.60 hrs
08/24/20	HOIV	Conferred with staff and Allegiance Bank to confirm transfer limits for the District would be raised to make Covid 19 grant payments; and exchanged four (4) e-mails regarding the same.	0.60 hrs
08/31/20	HOIV	Exchanged two (2) e-mails with Hospital staff confirming IGT amount for withheld Uncompensated Care payments.	0.30 hrs
08/31/20	HOIV	Drafted e-mail to Board regarding replacement of Director Espinosa and provided analysis on requirement that candidates be registered to vote in the District.	1.50 hrs
08/31/20	HOIV	Reviewed spreadsheets for the QIPP Year 1, Reconciliation Payments and exchanged fourteen (14) e-mails with staff and LTC regarding the basis for the payments; reconciliation of the payments; and impact on the District's QIPP projections because of the payments.	2.60 hrs

Total fees for this matter \$8,700.00

BILLING SUMMARY:

Oxford, IV Hubert	34.80 hrs @	\$250.00 /hr	\$8,700.00
TOTAL FEES			\$8,700.00
TOTAL CHARGES FOR THIS INVOICE			\$8,700.00
RETAINER			\$1,000.00 CR

TOTAL BALANCE NOW DUE \$7,700.00

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

October 30, 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 October 21, 2020; Our File No. 87250.

Dear President Murrell,

Attached, please find the draft minutes for the Regular Meeting on October 21, 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.

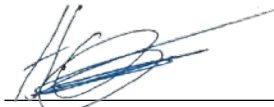
Also, please allow this letter to serve as a *partial invoice* for \$1,000.00 representing the retainer for work performed in October 2020. We would request that you put this invoice in line for payment at the November 18, 2020 Regular Meeting and we will give the District credit for the \$1,000.00 payment when we submit the hourly invoice for October 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

11/16/2020

Invoice # 22335

Professional Services

Amount

11/16/20	10-7-20 Assist in bookkeeping, QIPP reports and coding. 3.75 Hrs.	1,625.00
	10-21-20 Work on QBooks, run reports and review. 1.50 Hrs.	
	10-21-20 Prepare for meeting, review binder and attend regular meeting. 2.50 Hrs.	
	10-26-20 Review payroll and payroll deposits. Review payroll transmittals. 1.50 Hrs.	
	10-29-20 Work on 190 accounts, coding, review bank recs and books. 2.50 Hrs.	
	10-29-20 Prepare and file quarterly payroll reports (TWC and 941) 1.25 Hrs.	
	Total Hours 13.00 @ \$125.00 = \$1,625.00	
	For professional services rendered	<u>\$1,625.00</u>
	Balance due	<u><u>\$1,625.00</u></u>

Invoices Due Upon Receipt

Technology Solutions of Texas,
L.L.C.

Invoice 1501

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
11/15/2020

PLEASE PAY
\$75.00

DUE DATE
11/15/2020

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

TOTAL DUE

\$75.00

THANK YOU.

DATE 11-3-2020 NO. 08018589

CUSTOMER'S ORDER NO.

NAME Graciela Chavez

ADDRESS 220 8TH ST

CITY, STATE, ZIP Winnie TX 77665

SOLD BY	CASH	C.O.D	CHARGE	ON ACCT.	MOSE RETD	PAID OUT
			<input checked="" type="checkbox"/>			

QUAN.	DESCRIPTION	PRICE	AMOUNT
1	OFFICE		
2	cleaning	\$100	
3			
4			
5			
6	November 3		
7			
8	November 17		
9			
10	total	100	
11			
12			

RECEIVED BY

KEEP THIS SLIP FOR REFERENCE

Yard Service Invoice

Felipe Ojeda

Invoice# 1006

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

DATE November 12, 2020

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

Description	AMOUNT
Yard Maintenance completed 10/13/20	\$ 125.00
Yard Maintenance completed 10/27/20	\$ 125.00
Trash Service	\$ 50.00
TOTAL	\$ 300.00

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

THANK YOU FOR ALLOWING ME TO PROVIDE YARD SERVICES FOR YOUR BUSINESS!

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

Date Printed: NOV 12 2020

Invoice Number: 16074
CLIENT#: 2133

Due Date: DEC 10 2020
Total amount due: \$50.00

Amount of remittance: \$ _____

Remit To:

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

Please return this portion with payment

Invoice Date: DEC 10 2020

Type: A

Invoice # 16074

Trans Code	Coverage Eff Date	Policy#	Line of Business	Description	Amount
RE	DEC 10 2020	TX 804414	Surety Bonds	Renewal Edward Murrell bond	\$50.00

TOTAL AMOUNT DUE: \$50.00

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

PHONE : (409) 267-3115

FAX: (409) 267-3451

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

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

Date Printed: NOV 12 2020

Invoice Number: 16075
CLIENT#: 2133

Due Date: DEC 10 2020
Total amount due: \$50.00

Amount of remittance: \$ _____

Remit To:

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

Please return this portion with payment

Invoice Date: DEC 10 2020

Type: A

Invoice # 16075

Trans Code	Coverage Eff Date	Policy#	Line of Business	Description	Amount
RE	DEC 10 2020	TX 804413	Surety Bonds	Renewal Jeff Rollo bond	\$50.00

TOTAL AMOUNT DUE: \$50.00

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

PHONE : (409) 267-3115

FAX: (409) 267-3451

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

EXHIBIT “C”

**WSHD Indigent Care Director Report
2020 YTD Expenditures Worksheet**

Indigent Clients:	September	
	Indigent Clients:	38
Youth Counseling:	Youth Counseling:	12

	October	
	Indigent Clients:	37
Youth Counseling:	Youth Counseling:	4

	Year to Date		
	Clients Enrolled:	95	52
	YC Enrolled:	15	10

PROVIDER TOTALS	Billed Amount	Contracted Rate	Actually Paid
Pharmacy			
Brookshire Brothers Pharmacy Corp	\$5,571.49	\$5,571.49	\$5,571.49
Wilcox Pharmacy	\$1,095.21	\$1,095.21	\$1,095.21
Pharmacy Totals	\$6,666.70	\$6,666.70	\$6,666.70

Billed Amount	Contracted Rate	Actually Paid
\$1,886.00	\$1,373.92	\$1,373.92
\$1,542.11	\$1,542.11	\$1,542.11
\$3,428.11	\$2,916.03	\$2,916.03

Billed Amount	Contracted Rate	Actually Paid
\$52,991.17	\$46,201.89	\$46,201.89
\$19,293.30	\$12,859.68	\$12,859.68
\$72,284.47	\$59,061.57	\$59,061.57

Winnie Community Hospital			
WCH Clinic	\$4,131.00	\$1,594.08	\$1,594.08
WCH Observation	\$0.00	\$0.00	\$0.00
WCH ER	\$8,577.00	\$3,261.55	\$3,261.55
WCH Lab/Xray	\$10,026.00	\$4,110.66	\$4,110.66
WCH CT Scan	\$0.00	\$0.00	\$0.00
WCH Labs	\$0.00	\$0.00	\$0.00
WCH Xray	\$0.00	\$0.00	\$0.00
WCH Lab/Xray Reading	\$370.55	\$151.93	\$151.93
WCH Inpatient	\$0.00	\$0.00	\$0.00
WCH Physical Therapy	\$0.00	\$0.00	\$0.00
WCH Ultrasound	\$0.00	\$0.00	\$0.00
WCH Totals	\$23,104.55	\$9,118.22	\$9,118.22
Balance on Contracted Amount (Lump Sum Payment of \$196,669.30)		\$36,542.18	
Actual Medicaid Rate Incurred		\$4,376.74	

Billed Amount	Contracted Rate	Actually Paid
\$4,618.00	\$1,893.28	\$1,893.28
\$0.00	\$0.00	\$0.00
\$1,542.00	\$632.22	\$632.22
\$13,654.00	\$5,598.14	\$5,598.14
\$2,892.00	\$1,185.72	\$1,185.72
\$0.00	\$0.00	\$0.00
\$10,260.00	\$4,206.60	\$4,206.60
\$56.00	\$22.96	\$22.96
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$33,022.00	\$13,538.92	\$13,538.92
	\$23,003.26	

Billed Amount	Contracted Rate	Actually Paid
\$48,607.17	\$19,678.26	\$19,678.26
\$0.00	\$0.00	\$0.00
\$133,370.00	\$54,426.68	\$54,426.68
\$47,254.40	\$19,374.30	\$19,374.30
\$30,503.00	\$12,506.23	\$12,506.23
\$59,677.00	\$24,467.57	\$24,467.57
\$64,007.00	\$26,242.87	\$26,242.87
\$10,754.55	\$4,328.19	\$4,328.19
\$26,500.00	\$10,865.00	\$10,865.00
\$0.00	\$0.00	\$0.00
\$4,334.00	\$1,776.94	\$1,776.94
\$425,007.12	\$173,666.04	\$173,666.04
	\$23,003.26	
\$196,669.30 -	\$59,095.59	\$137,573.71

UTMB			
UTMB Physician Services	\$31,353.00	\$6,900.34	\$6,900.34
UTMB Anesthesia	\$7,234.00	\$3,100.19	\$3,100.19
UTMB In-Patient	\$112,363.05	\$19,679.71	\$19,679.71
UTMB Outpatient	\$55,888.83	\$13,677.69	\$13,677.69
UTMB Lab&Xray	\$540.00	\$133.77	\$133.77
UTMB Totals	\$207,378.88	\$43,491.70	\$43,491.70

Billed Amount	Contracted Rate	Actually Paid
\$5,759.00	\$1,590.10	\$1,590.10
\$960.00	\$589.31	\$589.31
\$0.00	\$0.00	\$0.00
\$22,110.21	\$5,306.45	\$5,306.45
\$2,737.00	\$665.55	\$665.55
\$31,566.21	\$8,151.41	\$8,151.41

Billed Amount	Contracted Rate	Actually Paid
\$100,031.00	\$20,077.69	\$20,077.69
\$24,434.00	\$11,752.10	\$11,752.10
\$248,870.47	\$55,473.92	\$55,473.92
\$369,726.47	\$74,709.51	\$74,709.51
\$9,489.00	\$1,119.14	\$1,119.14
\$752,550.94	\$163,132.36	\$163,132.36

Non-Contracted Services			
Barrier Reef (UTMB ER Physician)	\$0.00	\$0.00	\$0.00
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	\$0.00
Non-Contract Services Totals	\$0.00	\$0.00	\$0.00

Billed Amount	Contracted Rate	Actually Paid
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00

Billed Amount	Contracted Rate	Actually Paid
\$4,748.00	\$118.78	\$118.78
\$673.05	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$5,421.05	\$118.78	\$118.78

Youth Counseling			
Grace Nichols	\$170.00	\$170.00	\$170.00
Nicki Holtzman	\$340.00	\$340.00	\$340.00
Penelope Butler	\$170.00	\$170.00	\$170.00
Youth Counseling Totals	\$680.00	\$680.00	\$680.00

Billed Amount	Contracted Rate	Actually Paid
\$0.00	\$0.00	\$0.00
\$425.00	\$425.00	\$425.00
\$170.00	\$170.00	\$170.00
\$595.00	\$595.00	\$595.00

Billed Amount	Contracted Rate	Actually Paid
\$2,550.00	\$2,295.00	\$2,295.00
\$765.00	\$765.00	\$765.00
\$2,210.00	\$2,465.00	\$2,465.00
\$5,525.00	\$5,525.00	\$5,525.00

Medical Supplies			
Alliance Medical Supply (C-PAP)	\$0.00	\$0.00	\$0.00
Medical Supplies Total	\$0.00	\$0.00	\$0.00
Grant Totals	\$237,830.13	\$59,956.62	\$59,956.62

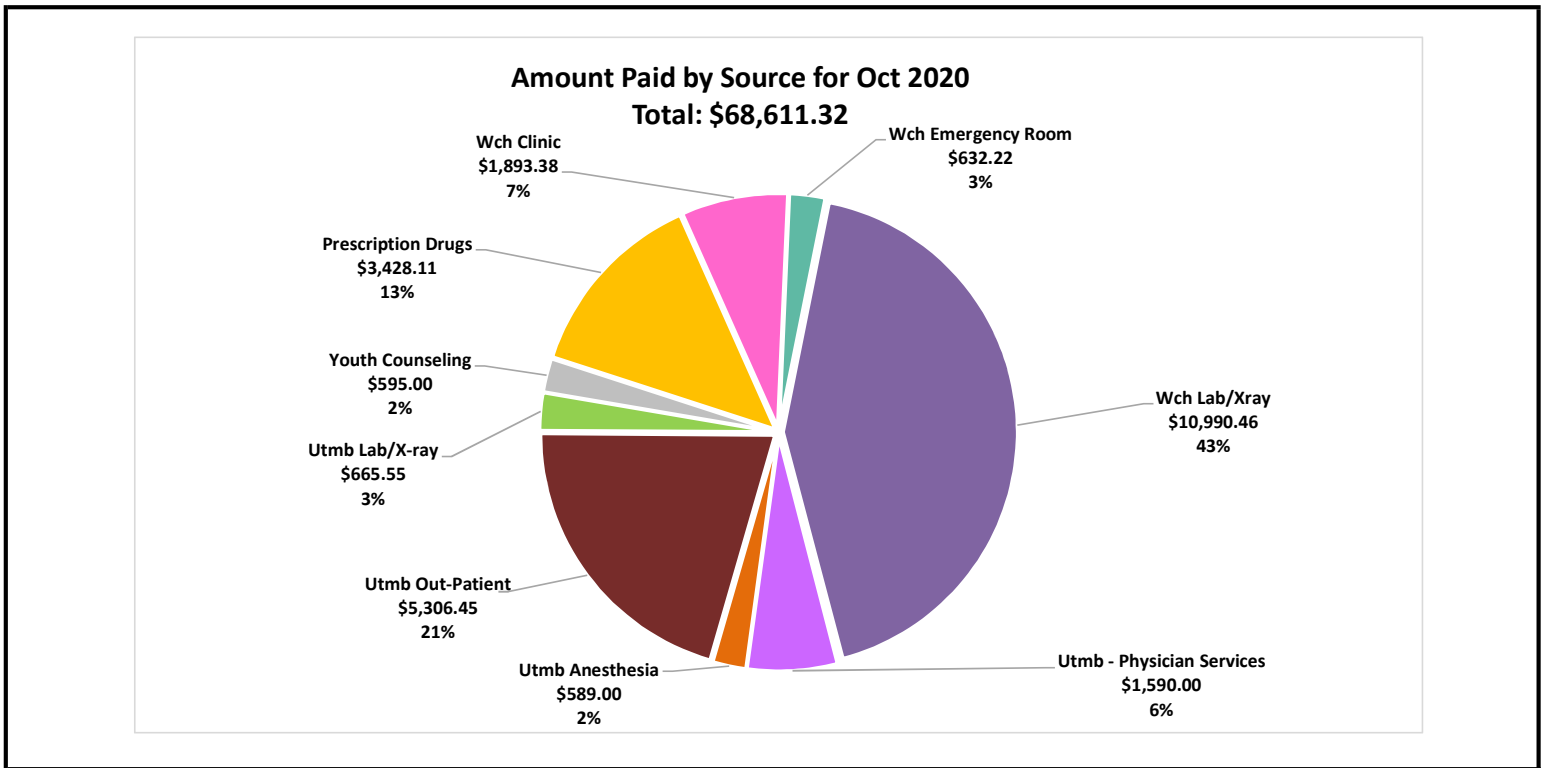
Billed Amount	Contracted Rate	Actually Paid
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$68,611.32	\$25,201.36	\$25,201.36

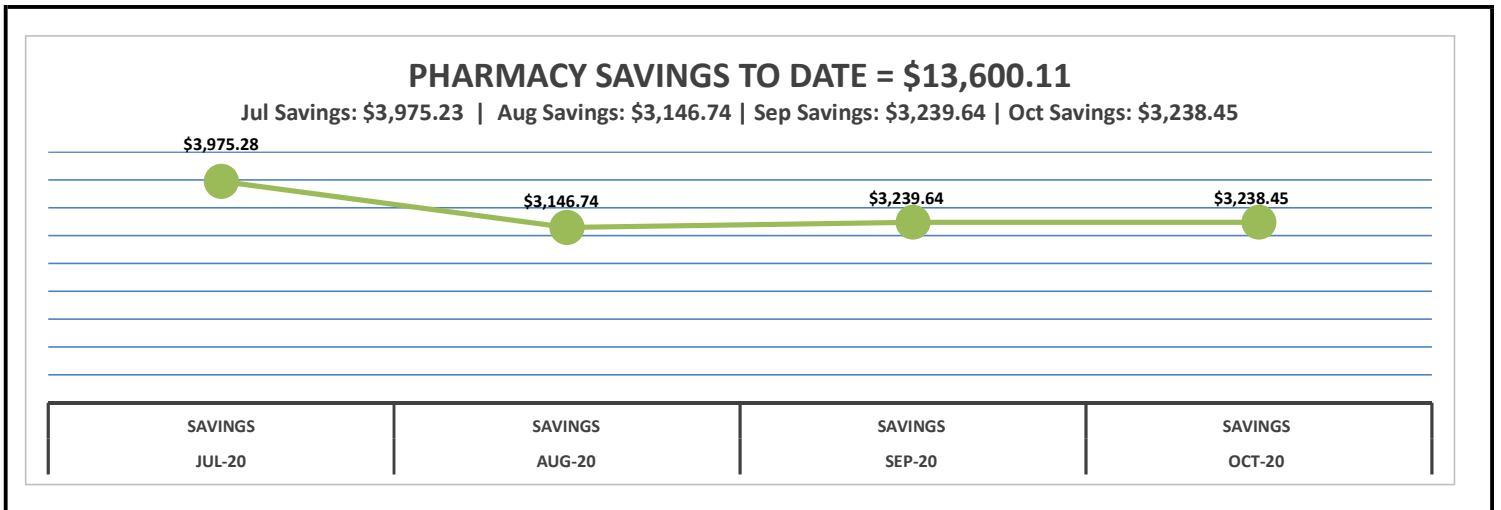
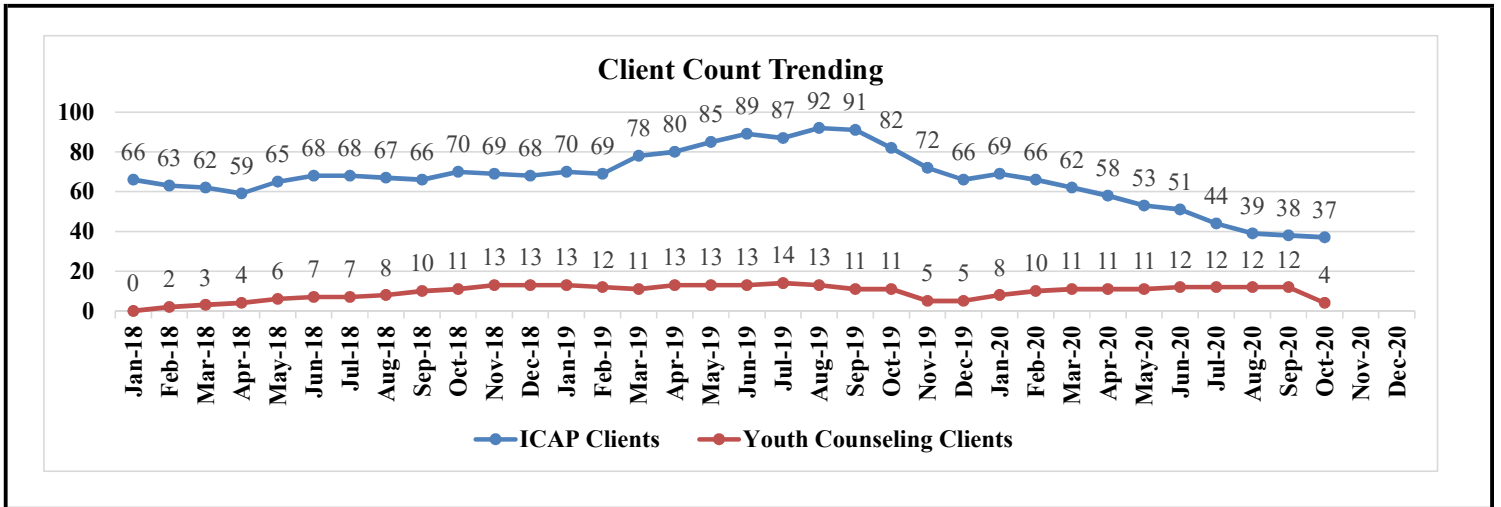
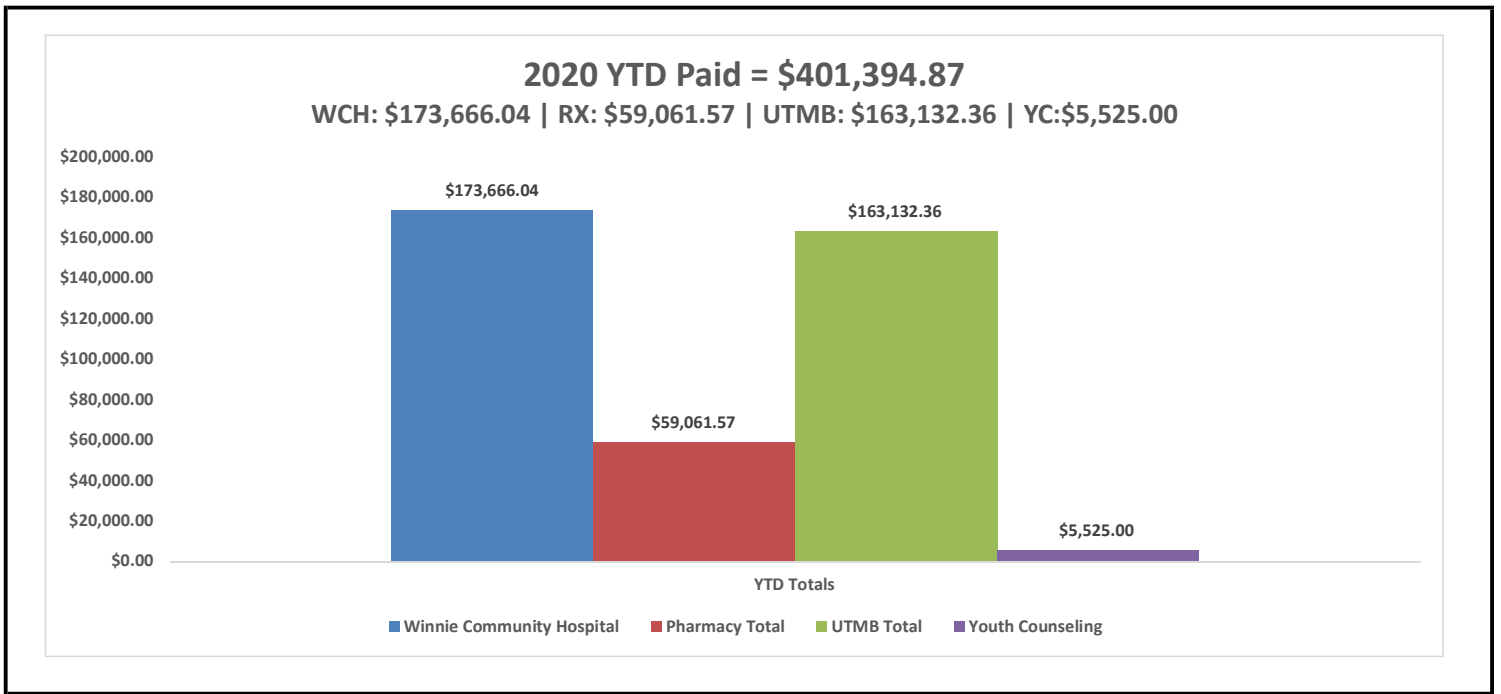
Billed Amount	Contracted Rate	Actually Paid
\$400.00	\$400.00	\$400.00
\$400.00	\$400.00	\$400.00
\$1,261,588.58	\$402,303.75	\$402,303.75

WSHD Indigent Care Director Report
Oct 2020 SOURCE CODE REPORT

Source Totals for Batch Dates 10/01/2020 through 10/31/2020 for All Vendors

Source	Description	Amount Billed	Amount Paid	% of Total
02	Prescription Drugs	\$3,428.11	\$3,428.11	13.33%
21	Wch Clinic	\$4,618.00	\$1,893.38	7.36%
24	Wch Emergency Room	\$1,542.00	\$632.22	2.46%
25	Wch Lab/Xray	\$26,806.00	\$10,990.46	42.74%
44	Wch Lab/Xray Readings	\$56.00	\$22.96	0.09%
31	Utmb - Physician Services	\$5,759.00	\$1,590.00	6.18%
31-1	Utmb Anesthesia	\$960.00	\$589.00	2.29%
34	Utmb Out-Patient	\$22,110.21	\$5,306.45	20.64%
35	Utmb Lab/X-ray	\$2,737.00	\$665.55	2.59%
39	Youth Counseling	\$595.00	\$595.00	2.31%
Expenditures/Reimbursements/Adjustments		\$68,611.32	\$25,713.13	0%
Grand Total		\$68,611.32	\$25,713.13	100%





Hubert Oxford IV

From: Patricia Ojeda <patricia@wshd-tx.com>
Sent: Friday, November 13, 2020 5:48 PM
To: Hubert Oxford IV
Subject: Indigent Care Meeting Items
Attachments: BBS Pharmacy Charge Account form.pdf

First, for the Youth Counseling Program:

I would like to request the WSHD Board consider relinquishing the WSHD Youth Counseling program to the ECC program, and then increase the financial contribution to ECC to help provide funding for the expansion of their program.

Second, for the Irlen Program:

WSHD could assist the school in providing the initial screening/testing for the children without cost to the school or the child's family when the school diagnostician cannot provide it in a timely manner. Also, if a child identified with Irlen syndrome needs further testing and the special (spectral) glasses, WSHD will provide those additional services without cost to the school or the child's family. Furthermore, I request the WSHD Board consider further assisting ECC with Irlen children by purchasing the Irlen overlays once a year, which is estimated at approximately \$2000.00 per year.

Third, expansion of the Prescription Assistance Program:

I would like to offer to assist all District residents in applying for Patient Prescription Assistance Programs. There are many programs available, and this is different from coupons or rebates. Many are available to residents with insurance and Medicare, as well as low income non-insured residents. The cost to the District would be my time in assisting the residents to complete the application, identifying the needed supporting documentation, and faxing in the applications and documentation.

Fourth, offering basic vision care (refractions & glasses) to indigent residents:

I would like to negotiate with the \$25 Optical shop in Baytown or Beaumont to provide glasses for our residents. I will still need to locate an optometrist to conduct the eye exam.

Fifth, Pharmacy Agreement with Brookshire Brothers:

Brookshire Brothers has requested we complete a "Pharmacy Charge Account" form rather than them signing the Pharmacy Agreement. I am attaching a copy of what the completed form would look like, if you decide to go that route.

-- Have a great weekend!

Patricia Ojeda



Indigent Care Director
Office: (409)296-1003
Fax: (409)400-4023
Email: Patricia@WSHD-TX.com

PRIVACY NOTICE and DISCLAIMER:

This message is intended only for the use of the individual to whom it is addressed and may contain information that is privileged, confidential, or prohibited from disclosure under applicable federal or state law. If the reader of this message is not the intended recipient or the employee agent responsible for delivering the message to the intended recipient, you are hereby notified that reading



11.18.20 - WSHD Regular Board Meeting Indigent Care Report

1) Active Client Count:

- a) Indigent Clients – 37
- b) Youth Counseling – 4

2) Pharmacy:

- a) Pharmacy expense **was down by \$3.7K, from \$6,666.70**. I have now successfully enrolled 5 clients in the Manufacturer's Prescription Assistance Program, saving the District **\$1,194.42** for **Oct 2020**. There will be additional clients enrolled as they come due for WSHD renewal, resulting in even further savings.

3) Riceland Hospital & Clinics:

- a) Riceland Contracted Reimbursement Rate Amount was **up by \$4.4K, from \$9,118.22**.
- b) They sent **8** Referrals during the month of **Oct**, which were all approved. There were no major expenses from those referrals.

4) UTMB Hospital & Clinics:

- a) UTMB expense was significantly **down by \$35.3K from \$43,491.70**. This is due to no major surgeries in Oct 2020.

5) Youth Counseling:

- a) Youth Counseling expense was **down by \$85 from \$680** due to one counselor no longer participating without program.

6) Our over-all YTD expenditures for 2020:

- a) Total YTD Amount Paid is **\$402,303.75**. This amount includes **\$196,699.35** pre-paid to Riceland Hospital and Clinic, and of that pre-payment, RMC still has **\$23,003.26 remaining**.

7) Source Code Totals for May 2020:

- a) **Riceland** was **53%** of the total expenses for Sep
- b) **UTMB** was **32%** of the total expenses for Aug
- c) **Everything else** was comparatively non-impressionable in regard to the percentage of total expenses.

8) 2020 YTD Paid Graph:

- a) **Riceland** – is trending as the highest expense for all vendors at **\$174K**.
- b) **Pharmacy** – is trending steady at **\$59K**.
- c) **UTMB** – is trending higher at **\$163K**.
- d) **Youth Counseling** – is trending higher at **\$5.5K**.
- e) **Client Count** – Client count continues trending downward at **37** even though 2 new clients were added.

9) Additional Information:

- a) **ICAP Applications**–
 - i) For all applications received in **Oct** – **2 new applications** were APPROVED; **4** did not complete the process. **3** Renewals were completed; **2** did not renew.
- b) **Irlen Services** – No referrals received to date.

EXHIBIT “D”

Winnie-Stowell Hospital District

Executive Summary of Nursing Home Monthly Site Visits

October 2020

Facility	Operator		Comments
Highland Park Rehabilitation and Care Center	Caring		Current Census: 55. The facility is currently in their survey window. There was an infection control survey in June 2020, the facility received three tags which have now been cleared. There were three reportable incidents since the last visit, two were for positive COVID-19 tests and the third was for an injury. The facility has been COVID free since the end of September, they are now able to accept new residents. The facility has received a shipment of plexiglass for whenever indoor visits are permitted.
Spring Branch Transitional Care Center	Caring		Current Census: 168. The facility is currently in their survey window. There were no reportable incidents since the last visit. The facility is considered an outbreak building due to the previous and current cases of COVID at the facility. The facility has seen a significant drop in positive COVID cases since August. The facility has had several staff test positive for COVID in the last several weeks, this is why the facility is still considered an outbreak building.
Park Manor of Cyfair	HMG		Current Census: 96. The facility is currently in their survey window. There were no reportable incidents since the last visit. The facility has been COVID free since July, starting in November they will be able to test monthly as opposed to weekly. The facility has begun outdoor visitations with families, with the easier availability of testing the facility is beginning to see an increase in indoor visitations. The facility registered for the COVID vaccine for whenever it is available.
Park Manor of Cypress Station	HMG		Current Census: 71. The facility is currently in their survey window. There were two reportable incidents since the last visit, one was for a fall with injury and the second was for a positive COVID test. The facility had one staff member test positive for COVID in October, so far there have not been any other positive cases in the facility. The facility has been trying to boost the morale around the facility by celebrating the holidays in a safe manner.
Park Manor of Humble	HMG		Current Census: 75. The facility is currently in their survey window. There were nine reportable incidents since the last visit, only one was a COVID related incident. The facility does not have any COVID positive residents at this time, there are two staff members who have tested positive. The facility has

			had a lot of turnover with its staff over the last several months, they are looking to stabilize with some new hires and moving current staff into new roles.
Park Manor of Westchase	HMG		Current Census: 78. The facility had their annual survey in February 2020, they are currently in their survey window. There were two reportable incidents since the last visit, the facility was not cited. The facility is currently COVID free, they have not had a resident test positive since August. The facility has established an online portal to allow families to sign up for visitation times.
Oak Manor	Genesis		Current Census: 43. The State was in the facility twice since the last visit, once for an infection control survey and once for a fan that burned out in the bathroom causing smoke; the facility was not cited for either. There were three reportable incidents since the last visit, two were for falls and one was for a resident that was transferred to a hospital and tested positive for COVID; the facility was not cited for any of the incidents. The staffing at the facility has stabilized and they are using their QAPI reports to focus on correcting negative trends.
Oakland Manor	Genesis		Current Census: 49. The state was in the facility for an infection control survey, the facility received one tag which has been cleared. There were two reportable incidents since the last visit one for a fall with major injury and the second for a resident to resident altercation; neither incident has been investigated. The facility still has the remodel on hold due to COVID restrictions. The facility is having to use agency staffing for CNA's, this has led to a higher than expected budget but the facility is doing well.
Hallettsville Nursing and Rehabilitation	Genesis		Current Census: 78. The facility is currently in their survey window. There was one reportable incident since the last visit, there was a resident to resident verbal confrontation, the state has not yet investigated. The facility is having to use agency staffing but are able to stay within their budgeted targets. The facility has been using the QAPI reports to focus on finding issues before they arise and so far, it has been working well.
La Grange Rehab and Nursing Center	Genesis		Current Census: 71. The state was not in the facility since the last visit. There were no reportable incidents since the last visit. The facility has a high anti-psychotics usage, this is due to a large number of new residents, they are working to reduce the usage. The administrator continues to do a good job running the facility, they have been able to stay within their budgeted targets.

September 2020

Facility	Operator		Comments
Park Manor of Conroe	HMG		<p>Census: 88. The facility has been in their survey window since March 2020, they did have an infection control survey with nothing cited. There were seven reportable incidents since the last visit, the facility was not cited for anything. The facility was COVID free until September 9 when a new resident tested positive. Since that time several staff have tested positive, but no residents have. Once the facility achieves the required number of days COVID free they will be requesting phase one visitation.</p>
Spindletop Hill	Genesis		<p>Census: 100. The facility has been in their survey window since February 2020, the facility did have a complaint survey in September with no citations. There were no reportable incidents since the last visit. The facility had to evacuate for two days due to Hurricane Laura, the facility did not sustain any damage. The facility tested all staff and residents in September and there were zero positive COVID tests.</p>
The Woodlands	Genesis		<p>Census: 155. The state was in the facility to investigate reportable incidents/complaints in September. The facility has had fifteen incidents/complaints since the last visit, the facility has not been cited. The facility had one staff member test positive for COVID at the beginning of July, no one else at the facility has tested positive. Up to this point the facility is conducting weekly tests on their staff and the facility has not had a single resident test positive.</p>

Administrator: Katherine Bryant – “Kallie”
DON: currently looking

FACILITY INFORMATION

Highland Park is a 120-bed facility with a current overall star rating of 1 and a Quality Measures star rating of 4. The census given on the date of this report was 52 but the administrator mentioned (2) new Medicare admits coming that day and (1) in the hospital in which 55 for census by the end of the day.

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 been a COVID Free building since the 24th of September and reports their building is under 5% status. There are 154,765 confirmed cases of COVID_19 in Harris County at this time. The facility has been accepting new admissions and residents back from hospital and quarantining them on a separate hall for 14 days. If the same residents do not exhibit any signs or symptoms related to the virus, they are moved from that hall into their own room.

Administrator reported they are still following CMS/CDC/state infection control guidelines for COVID-19. Housekeeping is cleaning (every hour) the high touch areas with disinfectant. The facility is still encouraging staff to not work at other jobs, per state guidelines. Administrator doesn't believe any of her employees work elsewhere.

Because the building is COVID free, the morale has increased with many. Payday is on the 30th and many will be dressing up and handing out candy to all to thank them for everything. The team is still ordering food and distributing snacks and treats to keep spirits high and many seem to appreciate everyone's efforts. Large groups for in-services are still not permitted but training continues as appropriate.

The facility continues to perform and document the screening of their employees including temperature checks. Essential caregivers are permitted at this time in the building when scheduled. The caregivers are screened each time and have to show documentation having being COVID negative. The visits started a few weeks ago and has been going well. The administrator mentioned they were approved to be able to have outside visits as well and recently received their plexiglass for indoor visits in which they are in the process for approval for this kind of visit. Administrator brought up the possibility of vaccines soon and with NHSN and doing her logs on Monday's and Thursday's already signed the alerts for CVS and hope to receive needed paperwork in order to be able to get the vaccines when they are available.

Administrator reports the facility is currently fully stocked with over 3 to 4 weeks supply of PPE and an overflow in her office. PPE is coming from regular vendors, corporate, donations and from SET-RAC, recently. Administrator reports hand sanitizer as being the most important of all items needed. Most staff are currently wearing surgical masks since the building is COVID free but some still prefer to wear N-95 masks. Residents wear cloth or surgical if they are out of their room or during direct care.

Administrator reported the residents seem to be doing better ever since the visits outside were approved and essential caregiver visits approved too.

SURVEY INFORMATION

SICA's visit on 6/17/2020 brought about three follow up calls and now cleared of having the calls since August. The calls consisted of asking them about their PPE, products used for disinfecting and sanitizing, how many cases of COVID and how are you preventing COVID. Annual survey is due at the end of January 2021.

REPORTABLE INCIDENTS

Administrator states not many reportable incidents in the last quarter. One COVID positive in July and September and an injury in August.

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:

Highland Park does not use restraints.

Staffing:

Staffing needs – currently, with recent hires, fully staffed.

Quality Indicators - CASPER Report				
Indicator	Facility	State	National	Comments
Self-Reported Mod/Severe Pain (S)				Information not provided
New/Worsened Pressure Ulcers (S)				
New Psychoactive Med Use (S)				
Fall w/Major Injury (L)				
UTI (L)				
Self-Reported Mod/Severe Pain (L)				
High risk with pressure ulcers (L)				
Loss of Bowel/Bladder Control(L)				
Catheter(L)				
Physical restraint(L)				
Increased ADL Assistance(L)				
Excessive Weight Loss(L)				
Depressive symptoms(L)				
Antipsychotic medication (L)				

QIPP SCORECARD:

Component 1

Indicator	QAPI Mtg Date	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not provided

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?		Information not provided
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?		Information not provided
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?		Information not provided
Was Workforce Development data submitted q month to QIPP during the quarter?		Information not provided

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers					Information not provided

Percent of residents who received an anti-psychotic medication					Information not provided
Percent of residents whose ability to move independently has worsened					Information not provided

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections					Information not provided
Percent of residents whose pneumococcal vaccine is up to date.					Information not provided
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.				Y	<p>Infection Control Policy reviewed. Yes</p> <p>Antibiotic Stewardship Program review and is in place with all components. Yes</p>

Administrator: Sean Buelow
DON: Linda Obi, RN

FACILITY INFORMATION

Spring Branch Transitional Care Center is managed by Caring Healthcare. They are licensed for 198 beds and are comprised of 5 floors. The CMS overall star rating for the facility is 2 with a 2-star rating in Quality Measures. The facility specializes in Behavioral/psychiatric but also has a wing for Korean residents. The census given on the day of report was 168: 13 MC; 132 MDC; 9 Hospice; 8 MDC pending; 3 PP and 3 HMO.

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 are still implementing their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 167,955 confirmed cases of COVID_19 in Harris County. Facility requires their staff limit to only working at their facility.

The administrator reported that in July was when the spike for COVID_19 positivity occurred at Spring Branch. They had a unit that expanded on the 3rd floor but now do not have any positive COVID_19 residents. They are still considered to be in an outbreak status at this time as they have had a series of three employees testing positive. They would have one employee that would stay home for 10 days and then during the 14-day outbreak period they would get another employee and have to start over. This happened three times but all were different employees but still extended their time. At one point, they had nearly 60 residents in a full unit and a half of another one dedicated for the hot zone. Three East was almost entirely full and Three West began to receive more as well. Since August, they have really seen a dramatic decline in COVID cases at Spring Branch. They were admitting positive residents through August as they had a hospice contract and the number of COVID_19 deaths were high due to those on hospice passing away after a few days. This was considered an outside admission opposed to an inside admission.

The administrator reported they are required to test all residents and staff every 3 to 7 days as they are considered an outbreak building. Typically, the tests are done on Sunday, Monday and Tuesday's and they receive the lab results back quickly; yesterday he received 200 back showing all negative results. Employees are screened on every shift before they come in the building, taking temperatures and screening them for COVID symptoms. Temperatures over 99.8, they cannot come in. Residents are checked three times a day at every shift.

Sanitizing all high points areas every two hours is part of their infection control procedures. The administrator reported they really haven't had an outbreak through the building and at this time is in maintenance mode. They have been talking to the City of Houston Department of Health and work closely with them. They are utilizing surgical masks at this time because they do not have cases in

the building. However, they have a COVID unknown unit that is on their 2nd floor West side that all new admissions go to for 14 days quarantined and thereafter go into the general population.

Essential Caregiver visits are allowed and they have a log they keep up in the front. All visitors are trained, sign their policy, and follow all criteria set forth. Time slots have been scheduled for 2 visits per hour in which 15 minutes is allotted to sanitize resident's room. On average, they have 12 visitors per day. It has also been set up that an essential caregiver can only come every other day. Outside visits were approved but because they are considered an outbreak facility at this time, they are not allowed to have them yet. The administrator reported they are not going to do the plexiglass visit as it seemed more like a prison experience. Most are truly taking advantage of the indoor visits as it is more personable and fulfilling for the resident and their loved one.

PPE is good, especially since they haven't had a significant outbreak in their building. Their need for supplies is low. They are working with SETRAC and order routinely. PPE should last at least 2 to 4 weeks considering the items. Surgical mask supplies are over a month's worth. All items are in central supply, secured.

The administrator believes the flu shots are almost complete for residents and staff. They have also registered through the CDC website for the COVID_19 vaccine. Weight loss has been a challenge for some due to the change in dining experience but they are focused on improving that area.

Decorating for all holidays are planned; Halloween decorations are out already. The administrator reported they are trying to figure out what they are going to do for Thanksgiving since in the past was such a great time for residents and families but he is hopeful they will figure something nice out. The beautician has not been willing to come in, so they are looking for a new one. Mental Health and Hospice workers are able to come in as they are considered essential. Activities are provided door to door to try and keep them engaged and happy. Families, especially the Korean families, have been trying their best to have their loved ones still engaged with their culture, including bringing food to drop off. Communication has been so difficult due to COVID, and the Korean activity director has been a centerpiece in keeping families informed and letting them know of changes whenever it happened.

SURVEY INFORMATION

The facility is in their open window for survey.

REPORTABLE INCIDENTS

Information not provided.

CLINICAL TRENDING

Incidents/Falls:

Information not provided.

Infection Control:

Information not provided.

Weight loss:

Information not provided.

Pressure Ulcers:

Information not provided.

Restraints:

Spring Branch Transitional Care is a restraint free facility.

Staffing:

Currently the facility is fully staffed and recruiting for PRN and PT positions.

.Quality Indicators - CASPER Report – Information not provided				
Indicator	Facility	State	National	Comments
New Psychoactive Med Use (S)				Information not provided
Fall w/Major Injury (L)				
UTI (L)				
High risk with pressure ulcers (L)				
Loss of Bowel/Bladder Control(L)				
Catheter(L)				
Physical restraint(L)				
Increased ADL Assistance(L)				

Excessive Weight Loss(L)				
Depressive symptoms(L)				
Antipsychotic medication (L)				

QIPP SCORECARD: - information not provided but per Administrator the facility met all four components.

Component 1

Indicator	QAPI Mtg Date	Benchmark Met Y/N	PIP's Implemented (Name specific PIP's)
QAPI Meeting			Information not provided.

Component 2

Indicator	Benchmark Met Y/N	Comments
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?		Information not provided
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?		Information not provided
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?		Information not provided

Was Workforce Development data submitted q month to QIPP during the quarter?		Information not provided
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Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers					Information not provided
Percent of residents who received an anti-psychotic medication					Information not provided
Percent of residents whose ability to move independently has worsened					Information not provided

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections					Information not provided
Percent of residents whose pneumococcal vaccine is up to date.					Information not provided
Facility has an infection control program that includes antibiotic stewardship. The program includes policies and training				Y	Infection Control Policy reviewed. Yes



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as well as monitoring, documenting and providing staff feedback.					Antibiotic Stewardship Program review and is in place with all components. Yes
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Administrator: Lisa Arnold
DON: Dee Linden, RN

FACILITY INFORMATION

Park Manor Cyfair is a 120-bed facility with a current overall star rating of 4 and Quality Measures star rating of 3. The census on the date of this report was 96.

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

The Administrator reported they are still implementing their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 167,955 confirmed cases of COVID_19 in Harris County.

The Administrator and DON reported their building COVID_19 free since July. Starting in November they will be able to test monthly and not weekly. Harris County is 4.9% with their COVID positivity rate in which November 26th will be when Park Manor of Cyfair will perform the next test. Residents are being screened and monitored every shift including temperatures, vital signs and other related COVID signs and symptoms. Staff are still wearing N95 masks and if doing direct patient care, additionally wear head covers and shields. PPE inventory is still good which should last for a month. SETRAC is also supplementing their supplies in which now it is only once a month they can receive. Usually they pick up and receive: 1,000 surgical masks; 250 N95 masks; and 100 gowns. Washable gowns are now being worn on the isolation unit by staff.

Outdoor visitation was approved a month ago and the essential caregiver visits started a few weeks ago. Initially, not many families applied for the indoor visit as they were having a hard time getting tested but the administrator reported more are coming in since testing has become more readily available. The essential caregiver visitors have to provide a negative test result, receive training and then are directed straight to the resident's room. Testing is required of the essential caregivers every 14 days and their visit is limited to an hour. The facility also mandates a nasal swab (PCR) and not an antigen test when providing the results. The caregivers are required to wear a N95 and face shield when they visit their loved one. They believe utilizing both N95 and face shield is very effective from preventing the spread of COVID as it doesn't get in the eyes or nose so easily. Indoor plexiglass visits will start next week. The administrator reports it has been difficult to explain to families as they don't listen to the process of it all but hopeful it works out.

Anyone having temperatures of 100 or higher are not allowed in the building. Park Manor of Cyfair actually has a high tech infrared electronic temperature machine that makes a loud noise upon entering when someone's temperature is 99 or higher. The administrator reported they have only sent two people home due to having a 99.1 temperature due to a cold and not COVID_19. The alarm is so loud, you can hear it from the back of the building. The machine is also used for outside visits

as you can move it around wherever you want to take it. The machine is very accurate and only cost \$99.

Flu shots were given two weeks ago but the DON stated they can offer it up to the end of the year. The administrator reported registering for the COVID vaccine a few days ago and they purchased it through Walgreens in which it will be delivered to the facility once it is available.

The facility has an infection preventionist nurse that assists with Infection Control. They have a sanitation tech and a hospitality aide that cleans high touch areas all day long using the product Virex. They are still using the Italian grade steamer in which it cleans equipment every day.

There are three levels of pay that can be offered to the staff: regular pay, (general population) isolation unit (1st level of COVID pay) and COVID unit (2nd level COVID pay). Currently they are using the isolation pay in which those are the residents that are quarantined for 14 days. The pay for working in the isolation unit is time ½ and COVID unit is triple time ½.

Snacks, drinks and food are provided for the staff on a regular basis. T-shirts are given out, drawings for prizes and a BBQ event is planned. Examples of activities include hallway bingo, happy hour in which a cart full of drinks is wheeled down the hallway, music, and trivia games. Spirit week is coming up and the administrator purchased a spinning wheel in which residents and staff can win prizes. Everyone will be dressing up in costumes. The residents are doing better ever since they were able to visit with family.

SURVEY INFORMATION

The facility is in their survey window and expects they will come at the end of this month or November. In August, all weekly surveys and reporting in weekly stopped from the state from the COVID outbreak last quarter.

REPORTABLE INCIDENTS

In **July/August/September**, the facility had 0 self-reports.

CLINICAL TRENDING

Incidents/Falls:

During, **July/August/September** Park Manor of Cyfair had 39 total falls, of which 2 resulted in injury, and 1 Bruise.

Infection Control:

Park Manor of Cyfair reports 69 total infections in **July/August/September** – 21 UTI's; 18 URI's; 3 GI infections; and 3 other.

Weight loss:

Park Manor of Cyfair reported Weight loss in **July/August/September** – 1 resident with 5-10% and 2 residents with > 10% loss in 30 days.

Pressure Ulcers:

In **July/August/September**, Park Manor of Cyfair had 11 residents with 11 pressure ulcer sites – 6 acquired in house.

Restraints:

Park Manor of Cyfair is a restraint free facility.

Staffing:

Administrator reports the facility is in need of (1) LVN & (5) CNA for 6a-2 p shift.

Quarter Quality Indicators (Casper)				
Indicator	Facility	State	National	Comments/PIPs
New Psychoactive Med Use (S)	2.1	2.1%	2.0%	
Fall w/Major Injury (L)	1.7	3.6%	3.5%	
UTI (L)	0	2.2%	2.7%	
High risk with pressure ulcers (L)	8.9	8.9%	8.9%	
Loss of Bowel/Bladder Control(L)	92.6	50.7%	47.3%	
Catheter(L)	6.7	2.0%	2.0%	
Physical restraint(L)	0	0.1%	0.2%	
Increased ADL Assistance(L)	17.0	19.4%	17%	
Excessive Weight Loss(L)	12.0	6.2%	8.1%	
Depressive symptoms(L)	1.7	5.0%	7.3%	
Antipsychotic medication (L)	5.6	12.2%	14.3%	

QIPP SCORECARD:

Component 1

Indicator	QAPI Mtg Dates	PIP's Implemented (Name specific PIP's)
QAPI Meeting		Information not provided

Component 2

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

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	7.34%	7.47%	4.48%	Y	
Percent of residents who received an anti-psychotic medication	14.54%	7.29%	7.59%	Y	
Percent of residents whose ability to move independently has worsened	17.72%	17.87%	14.04%	Y	

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.80%	1.10%	0%	y	
Percent of residents whose pneumococcal vaccine is up to date.	88%	100%	97.54%	y	

			95.08% ST		
			100% LT		
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>Infection Control Policy reviewed - Yes</p> <p>Antibiotic Stewardship Program review and is in place with all components - Yes</p>

Administrator: Justin Joy
DON: Mayra Polio, RN

FACILITY INFORMATION

Park Manor Cypress Station is a 125-bed facility with a current star rating of 1 and a Quality Measures rating of 4. The census on the date of this report was 71.

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 continues to report implementing their emergency plan and following all the state/federal/local mandates. Administrator reports there are 161,483 confirmed cases of COVID_19 in Harris County.

Administrator reports things have been going well and the building was COVID free for the last couple of months. Recently on October 14th, they had one employee test positive for COVID_19. Thereafter, all staff and residents were tested and everyone's test came back negative. They will be testing again this week and hope for the best. Staff are wearing N95 masks at this time. Employees are screened once upon entrance and if temperature is above 100, they cannot come in. Residents are checked every shift.

PPE is well stocked and depending on the items, are good for two to four weeks. Supplies are coming from all places: SE-TRAC; McKesson and corporate office. Administrator reports the facility is conducting inventory 2-3 times per week.

Essential Caregiver visits started two weeks ago and going well. Approximately a handful are essential caregivers as it is difficult in getting their COVID_19 tests. Indoor visitation with plexiglass is much higher and families are very happy. Residents have received their flu shots and staff will be receiving theirs in the near future. COVID_19 Vaccines are in the process and a goal for the administrator to complete. The administrator reports filling out the first part of the application to register and will receive an email to complete the second part.

Constant education and rounding regarding infection control are done daily with the staff. Audits and skill checks are also being performed and additional observations of staff are documented. A Nurse Infection Preventionist was recently hired for that role and doing a great job. Cleaning products such as Virex and Oxivir are being used to disinfect and sanitize the building.

Employee morale is very important to the administrator. His team has been discussing the holidays to see what they can offer in a safe manner for all. The building has been decorated with Halloween decorations and many staff are dressing up and the residents will vote on their favorite costumes. A parade was held months ago in which the administrator stated it was heart-warming to watch.

Everyone had on their proper PPE and social distancing and the residents were smiling from ear to ear. Residents are doing good considering everything but it is still hard on them. The administrator feels like they have maxed out their creativity since outings have been cancelled and a lot of the socialization has been cut out. An outdoor gazebo area for residents is also being utilized often to make the time go by faster.

SURVEY INFORMATION

Last full book survey was October 8, 2019. Infection Control surveys have occurred twice in last quarter and they received no citations.

REPORTABLE INCIDENTS

During **July/August/September** the facility had 2 self-reports, one fall with injury and one COVID_19 positive; no deficiencies cited.

CLINICAL TRENDING

Incidents/Falls:

During **July/August/September**, Park Manor Cypress Station reported 32 total falls without injury, 3 falls with injury, 1 skin tear, 0 elopements, 3 fractures, 1 bruise, 21 behaviors and 0 Other.

Infection Control:

Park Manor Cypress Station reported 28 infections during **July/August/September**, of which 18 were UTI's, 20 respiratory, 15 wound infections, and 20 others (types not given) – the numbers do not add up correctly.

Weight loss:

Park Manor of Cypress Station reported Weight loss in **July/August/September** – 5 residents with 5-10% and 4 > 10% loss in 30 days.

Pressure Ulcers:

In **July/August/September**, Park Manor of Cypress Station had 2 residents with 2 pressure ulcer sites – 2 acquired in house.

Restraints:

Park Manor Cypress Station is a restraint free facility.

Staffing:

The Administrator reports the facility is recruiting for (1) RN for double weekend and (1) activity assistant.

Quarter Quality Indicators (Casper)				
Indicator	Facility	State	National	Comments/PIPs
New Psychoactive Med Use (S)	10%	10%	12.2%	
Fall w/Major Injury (L)	3.2%	3.6%	3.5%	
UTI (L)	0%	2.2%	2.7%	
High risk with pressure ulcers (L)	6.7%	8.9%	8.9%	
Loss of Bowel/Bladder Control(L)	12.1%	12.1%	19.4%	
Catheter(L)	2.3%	2.4%	2%	
Physical restraint(L)	0%	0.1%	0.2%	
Increased ADL Assistance(L)	12.1%	19.4%	17%	
Excessive Weight Loss(L)	6.5%	6.2%	8.1%	
Depressive symptoms(L)	1.9%	5%	7.3%	
Antipsychotic medication (L)	10%	12.2%	14.3%	

QIPP Component 1

Indicator	QAPI Mtg Dates	PIP's Implemented (Name specific PIP's)
QAPI Meeting	7.20.2020, 8.20.2020, 9.17.2020	

Component 2

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

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	6.7	6.7	8.9		
Percent of residents who received an anti-psychotic medication	0.0	0.0	2.1		
Percent of residents whose ability to move independently has worsened	13.2	16.1	25.0		

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	0.0	0.0	2.2		
Percent of residents whose pneumococcal vaccine is up to date.	0.0	0.0	0		
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>Infection Control Policy reviewed. Yes</p> <p>Antibiotic Stewardship Program review and is in place with all components. Yes</p>

Administrator: Rodney Lege
DON: Charity Reece, RN

FACILITY INFORMATION

Park Manor Humble is a 125-bed facility with a current overall rating of 1 and a Quality Measures rating of 4. The census on the date of this call was 78, PP 3; MDC 38; MC 10; HMO 21; Hospice 3 which adds up to 75.

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 reports they are still implementing their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 161,483 confirmed cases of COVID_19 in Harris County.

In July, Park Manor had their first outbreak when they tested everyone. A total of 30 residents tested COVID_19 positive in which the managers immediately moved those residents to 100 Hallway and everyone not positive or negative were moved off that hallway and created a quarantined isolation hall and got it staffed. After 14 days, all residents were fine. Once the last resident had recovered from any symptoms, they turned that hall back for the general population. Since that time, they do not have any residents testing positive.

Two staff members have tested positive in which one tested this past Thursday and the other a week prior to this one. As of right now, they are doing good with their PPE and Medline recently has been fulfilling backordered items as well as SE-TRAC and the corporate office. Their supply was so good they actually took gloves and disinfecting wipes to the corporate warehouse so that other sister facilities would have some.

Staffing has been a challenge since the administrator started in June and turnover has occurred. Not only the change with the DON but a new maintenance director and social worker was hired. The maintenance director had refused to go down the isolation hallway and take care of an issue, so he needed to be replaced. More changes with management are in the works as some employees are in a role that isn't a good fit and they will be provided with other positions better suited for them. The turnover rate has been high since the administrator started and changes that have occurred, he states, was not a bad thing. Attitudes were the problem. The administrator states Charity is great with people management and believes she will do a good job.

Census has been staying in the upper 60's to upper 70's. At one-point Park Manor only had one quarantined 300 hall but then decided to open 200 hall for a second quarantined placement for residents. The decision was made because case managers and social workers were frazzled during the point of time of COVID and trying to find placement for patients to isolate for 14 days and Park Manor was not able to assist with their immediate needs. Once they opened the second hallway, the

case managers no longer had referrals for them, so they closed it down. The administrator then had his director of development talk to the case managers to let them know this as they only had 7 residents on 300 hall and 4 on 200 hall. Staffing both halls was expensive and they didn't have the census/income to incur the expense. After talking to the case managers and social workers further, they started receiving more referrals. Both halls are now full and it's working for the facility and the hospital; which is Memorial Herman North East. Bed locks can occur but over-all this is working out well. The director of development has reached out further to other hospitals and they are getting 5 to 6 admissions per day and sometimes 8 per day. The administrator states that is a lot and wants to make sure he maintains customer service for all. He also implemented families having their own "ambassador" families can call to get questions or complaints resolved.

Essential Caregiver visits started on October 12th and all is going well. The administrator manages the schedule and only lets 4 essential caregivers in at the same time. There are a few families that are not happy because they have to get a test but the team has to explain why and most understand. They let them know their own staff is getting tested once a week and doing this to protect all. At this time, they cannot have other visits due to the (2) employees testing positive. Once they are able to return to work status, then the family visits can start back up again. The administrator believes families are happy and it was doing well for the good of the residents.

Administrator reports staff received a one-time bonus in May. Those working the isolation halls are getting paid 1 ½ across the board and continues to this day. Managing staff during COVID is so different and the administrator explained how they don't know how long COVID will be around nor how long the federal government can continue to help financially with their stimulus packages.

All residents have received their flu shots and are part of a study group with vaccines being administered. Neither administrator and DON were certain what the study was about but speculated on how well the vaccine protected residents since it was a new strand and if there were any side effects. Staff will receive theirs starting next week. The administrator currently registered for the COVID_19 vaccine. The corporate office is working on the data logger and the administrator reports signing the first part of the application (m-tracker) and once he receives his confirmation, will go in and complete the second part of registration. Screening for staff and caregivers are consistent daily and if anyone has a temperature of 99 or above, the DON or the Industrial Preventionist will assess to see if they can go in the building or not. In-services are ongoing for general and COVID_19 by shifts and all physical distance around the nurse station to discuss. Administrator also trains overhead about wearing PPE properly...basically constant reminders.

Infection control is constant and the Sanitation Tech cleans daily as well as all staff. The cleaning agent VIREX is being used a lot which was recommended by the health department. Showers and cleaning after each use is also implemented and wiping down carts and high touch areas daily.

The activity director has been out a couple of months due to testing positive for COVID_19 and being pregnant. She ended up having to go to the hospital and was placed on a vent. She ended up

needing a C Section but both baby and Mom are doing well. The administrator hired someone to assist with the activity calendar and newsletter and working on improving the department since the director is out. Doorway activities are included as well as age appropriate activities. Some are able to come in the dining room to do some activities with social distancing. The residents are still eating in their rooms but hopefully they will be able to come back in the dining room soon per guidelines. Residents are coping best as they can considering all circumstances.

SURVEY INFORMATION

The facility is currently in their survey window as of May of 2020.

REPORTABLE INCIDENTS

Administrator reports: Fall w/injury – 4, Exploitation – 2, COVID-19 Positive Result – 1, Abuse – 1, and Resident to Resident Altercation – 1 during **July/August/September**.

CLINICAL TRENDING

Incidents/Falls:

During **July/August/September**, Park Manor of Humble had 40 total falls, of which 14 resulted in injury, 5 Skin tears, 0 Laceration, 1 Bruise, 0 Behaviors, and 0 Others.

Infection Control:

During **July/August/September**, Park Manor of Humble reported 16 infections of which 14 were UTI's, 3 were stools, and 1 wound infection.

Weight loss:

Park Manor of Humble reported Weight loss in **July/August/September** – was not given.

Pressure Ulcers:

In **July/August/September**, Park Manor of Humble had 8 residents with 2 pressure ulcer sites – 2 acquired in house.

Restraints:

Park Manor of Humble is a restraint free facility.

Staffing:

Administrator reports the facility is in need of (2) RN, (3) LVN & (1) CNA for 6a-2p shift, (2) CNAs for 2p-10p shift and (2) CNAs for 10p-6a shift.

Quarter Quality Indicators (Casper)				
Indicator	Facility	State	National	Comments/PIPs
New Psychoactive Med Use (S)	1.5%	2.1%	2.0%	
Fall w/Major Injury (L)	3.6%	3.6%	3.5%	
UTI (L)	0%	2.2%	2.7%	
High risk with pressure ulcers (L)	5.9%	8.9%	8.9%	Wound Care PIP in place
Loss of Bowel/Bladder Control(L)	70.6%	50.7%	47.3%	
Catheter(L)	2.4%	2.0%	2.0%	
Physical restraint(L)	0%	0.1%	0.2%	
Increased ADL Assistance(L)	17.8%	19.4%	17.0%	
Excessive Weight Loss(L)	0%	6.2%	8.1%	
Depressive symptoms(L)	2.1%	5.0%	7.3%	
Antipsychotic medication (L)	6.1%	12.2%	14.3%	

QIPP Component 1

Indicator	QAPI Mtg Dates	PIP's Implemented (Name specific PIP's)
QAPI Meeting	7/20/20, 8/20/20, 9/18/20	Employee Files – timely background checks, Pressure Ulcers, Falls Rate, Activity Assessments, Social Service Assessments and Trauma Screens

Component 2

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

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	8.9%	2.5%	5.9%	N	
Percent of residents who received an anti-psychotic medication	14.3%	%	6.1%	Y	
Percent of residents whose ability to move independently has worsened	17.0%	%	17.8%	N	

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.7%	<2.0%	0%	Y	
Percent of residents whose pneumococcal vaccine is up to date.	%	%	100%	Y	
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>Infection Control Policy reviewed.</p> <p>Antibiotic Stewardship Program review and is in place with all components.</p>

Cory Thompson-Administrator
Caroline Mwieria, RN- DON

FACILITY INFORMATION

Park Manor Westchase is a 125-bed facility with a current overall star rating of 1 and a Quality of Resident Care star rating of 4. The census on the date of the report was 78: 3 PP; 6 MC; 57 MDC; 7 HMO; and 5 Hospice.

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 are still implementing their emergency plan and are following all the state/federal/local mandates. Administrator reports there are 167,955 confirmed cases of COVID_19 in Harris County.

The administrator reports they have not had any COVID_19 residents test positive in the last two months. Two employees tested positive a month ago on the third but since then has returned to work. As far as of today, there are no residents or staff testing positive for COVID_19. Employees are still wearing N95 masks with face shields and googles. Testing of staff and residents is now once a month instead of once a week since the positivity rate change in Harris County lowered (below 5%) and approval was also given by their corporate office. They are testing all new hires. Screening of residents is three times a day at each shift change. Vitals are checked including temperatures.

No urgent need for PPE items as inventory is good. SETRAC assists once a month along with their regular suppliers. Westchase has an infection preventionist nurse that provides in-services on a weekly basis. Everyday they talk about infection control and discuss if improvements are needed in the building. They also have a sanitation aide who is staffed every day, every hour to spray high touched areas.

Flu shots have already started with residents and then will be with staff. The process of starting the COVID_19 vaccines has started and Walgreens contacted them and they will use them as their distributor. The administrator mentioned their company will probably be sending out a letter to see if families want their loved one to actually receive the vaccine. Essential Caregiver visits and Indoor plexiglass visits are happening at this time. Outdoor visits are approved as well as long as the weather is nice. Visitations started at the beginning of October but then they had to stop due to their two employees testing positive. It started back up and it seems everything is going smoothly. Families can go on their web site and it has a button to register and once they register to set up a visit, it will come to the administrator's dashboard for review. They have one portal for essential caregivers to register to set up their visitation appointments and another portal just for the regular inside and outside visits. The administrator manages both portals to grant access or deny those visits. The visits are allowing one visit per week for one hour. This is all on-line and has been working out

great, states the administrator. For the essential caregiver visits, they have to provide documentation of their COVID_19 test within the 14 days of the visit, which would be negative and then receive their training. Once complete, they can go in on-line and schedule their appointment. Tests for essential caregivers always has to be done within 14 days thereafter. Complaints and concerns have really gone down since residents have been able to see their family.

Park Manor of Westchase still has a quarantined hall that is used as a status unknown but in the event they have someone who is COVID_19 positive, that same hallway will be sectioned off and they will cohort the resident who tested positive. In the event a resident is positive, a barrier will be set up. Two rooms are saved at the end of the hallway if needed.

Group activities for the general population is still not happening. Residents are in the doorway area to participate in activities, such as Hall Bingo. In-room activities are provided as well to help all residents. As far as the COVID_19 Hall, they do not have a designated activity director on that hall and activities are conducted by the therapists, certified nurse aide's and nurses.

The administrator has his operations call this week with his regional VP and states he will be bringing up when can they have approval to bring in a beautician in the building. The certified aides have been helping style resident's hair but have not had their hair cut in a long time. Many families and residents have been asking when the beautician will be coming and the administrator believes it will be soon.

Holiday preparations have begun in which they have a Plan A and a Plan B. Plan A is if everything is "normal" and Plan B is to do inside dining with residents only. A meal has been planned already and resident door decorations have been put on the schedule but having families will not be a part of the occasion. The administrator reports the census has been a challenge and they are operating 30 to 40 % below where they would normally be. The administrator states it's not where they want to be and feels like the volume has gone down a lot from the hospitals. They are trying to provide virtual tours to assist with census.

The administrator reports that families are continuing to encourage them throughout this pandemic. One family is very active and has written letters to the State of Texas Congress to inform them about how well the staff is taking care of their residents at Westchase. Another family member helped encourage the governor to open communities for visitation. This same family member also said a lot of great things about the community and wrote an article in the Houston Chronicle back in August. The administrator said it meant a lot to his team that families appreciated all that they do as they truly are trying their best.

SURVEY INFORMATION

Park Manor Westchase had their annual survey in February 2020 and they are in the open window at this time.

REPORTABLE INCIDENTS

Last quarter, the administrator reported having a couple of self-reports in which they did not receive any citations on anything.

CLINICAL TRENDING

Incidents/Falls

During **July/August/September** Park Manor Westchase reported 4 total falls without injury, 14 falls with injury, and 1 laceration.

Infection Control:

During, **July/August/September** Park Manor Westchase reported 134 infections of which 26 were UTI's, 25 were URIs, 3 wound infections and 79 others.

Weight loss:

During **July/August/September**, Park Manor Westchase had 22 residents with 5-10% weight loss in 1 month and 0 with >10% weight loss in 6 months.

Pressure Ulcers:

During, **July/August/September** Park Manor Westchase reported 5 residents with pressure ulcers with 6 sites, 3 of them facility-acquired.

Restraints:

Park Manor Westchase does not use side rails or restraints.

Staffing:

Currently the facility is recruiting for: (1) 6a -2p LVN; (3) CNA for 2p-10p and (4) CNA 10p-6a.

Quarter Quality Indicators (Casper)				
Indicator	Facility	State	National	Comments/PIPs
New Psychoactive Med Use (S)	0%	2.1%	2.0%	
Fall w/Major Injury (L)	2.3%	2.3%	3.6%	

UTI (L)	0%	2.2%	2.7%	
High risk with pressure ulcers (L)	5.5%	5.5%	8.9%	
Loss of Bowel/Bladder Control(L)	87.1%	87.1%	50.7%	
Catheter(L)	3.4%	2.0%	2.0%	
Physical restraint(L)	0%	0.1%	0.2%	
Increased ADL Assistance(L)	18.9%	19.4%	17.0%	
Excessive Weight Loss(L)	6.7%	6.2%	8.1%	This is r/T the % of Covid(+) pt's.
Depressive symptoms(L)	0%	5.0%	7.3%	
Antipsychotic medication (L)	4.9%	12.2%	14.3%	

QIPP SCORECARD:

QIPP Component 1

Indicator	QAPI Mtg Dates	PIP's Implemented (Name specific PIP's)
QAPI Meeting	10/13/20;9/15/20;8/13/20	Fall Prevention, Infection Control, Missing Laundry, Pest Control

Component 2

Indicator	Benchmark	Comments

	Met Y/N	
Did NF maintain 4 additional hours of RN staffing coverage per day, beyond the CMS mandate?	y	
Did NF maintain 8 additional hours of RN staffing coverage per day, beyond the CMS mandate?	y	
Does the NF have a staffing recruitment and retention program that includes a self-directed plan and monitoring outcomes?	y	
Was Workforce Development data submitted q month to QIPP during the quarter?		Did not provide information.

QIPP Component 3 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of high-risk Long-Stay residents with pressure ulcers; including unstageable ulcers	8.9%	2.5%	5.5%	N	
Percent of residents who received an anti-psychotic medication	12.2%	5%	4.9%	Y	
Percent of residents whose ability to move independently has worsened	26.8%	2.0%	2.0%	Y	

QIPP Component 4 – CMS Long-Stay Quality Metrics

Indicator	National Benchmark	Baseline Target	Results	Met Y/N	Comments
Percent of residents with urinary tract infections	2.7%	0%	0%	Y	
Percent of residents whose pneumococcal vaccine is up to date.	82.9%	90%	87.4%	N	
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.				Y	Infection Control Policy reviewed - Yes Antibiotic Stewardship Program review and is in place with all components - Yes

CONTACT:

Administrator

The phone visit was conducted on October 22, 2020. I visited with Ms. Reyes on this date.

The current census is 43. The breakdown is; Medicare-; Medicaid-33; Private Pay-7; Private Insurance-; Hospice-2; Pending Status-1.

SURVEY:

The state was in the facility because of a reported fire in a restroom. It was discovered it was no fire. Fan burned out causing smoke. Nothing was cited.

State came in for infection control because a resident tested positive for Covid. Nothing was cited.

REPORTABLE INCIDENTS:

Two unwitnessed falls with injury

A resident from the Orange, Texas nursing home became ill and sent to hospital where they tested positive for Covid-19. The resident did not return to the facility in Flatonia. Nothing cited.

CLINICAL TRENDING:

A. Infections:

The infection rate for October was under their threshold of 3.5%.

B. Weight Loss:

There were no weight loss issues.

ADDITIONAL COMMENTS:

The facility has a four- star quality rating overall.

Restraints-0

Pressure ulcers- -0%

Falls with major injuries-19.2%

Anti-psychotic medicines- The facility is currently at 8.7%.

Ms. Reyes indicated that the facility is doing good. Still need a few CNAs but, overall, staffing is good. Budget is good at this time. Some expenses are over because of Coronavirus.

Ms. Reyes has been very pleased with the QAPI program. She feel that the facility is more aware of all that is going on and can react before they have major issues. The Medical director is pleased also. He feels that the facility is on top of things quicker and are handling them quicker.

CONTACT:

Administrator: The Phone visit was conducted on October 22, 2020. I visited with Christine Bryan, new administrator.

FACILITY:

The census target is 58 and the current census is 49. The census breakdown is; Medicare-3; Medicaid-19; Private Pay-15; Private Insurance 1-; Hospice-3; Pending Status-8.

SURVEY:

The state came in for infection control issue. The facility was given one tag which has been corrected.

REPORTABLE INCIDENTS:

The facility had two incidents; 1. Fall with major injury. 2. Resident to Resident verbal confrontation. State has not investigated yet.

CLINICAL TRENDING:**Infections:**

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

Weight Loss:

There were no issues for the month of March. The new food vendor is still working out very well.

ADDITIONAL COMMENTS:

Staffing is good at this time. They could use a couple of CNAs. Staff is working some overtime to cover the needed shifts.

The business office manager indicated that the facility is staying within the budget targets with exception of overtime and some supplies.

The staff is working hard on the quality measures;

Restraints; 0

Falls with major injuries; 7.5%

Anti-psychotics; 5.7%

Pressure ulcers- .6%

Overall quality is 4 star.

Overall star rating is 3.

The plan for using HUD funding for remodel is still on hold. Waiting to see how everything moves forward because of COVID-19.

Ms. Bryan indicated the facility is still having to use some agency for CNAs. The rest of the staff is in good shape.

Ms. Bryan feels that the QAPI program has been excellent. The staff seem to be on top of things more and are more aware of what is going on all through the facility. The Medical Director is pleased with the program because he feels everyone is more aware of issues and takes care of them before they become major problems.

CONTACT

Administrator: Mr. Jason Ohrt

The phone visit was conducted on October 22, 2020. I visited with Mr. Jason Ohrt on this date.

FACILITY

The current census target is 67. The current census is 78. The breakdown is as follows; Medicare-8; Medicaid-40; Private Pay-10; Private Insurance-1; Hospice-; Pending Status-4; V.A.-15.

SURVEY

The state fwas not in the facility. They are in their survey window.

REPORTABLE INCIDENTS:

One reportable for the month. Two residents had a verbal confrontation. State will probably desk review.

Infections:

Infections were below thresholds.

Weight Loss:

There were no weight loss issues and no trending.

ADDITIONAL COMMENT:

The facility is working hard to control the quality measures.

Restraints-0

Pressure ulcers; 3.4%

Falls with Major injuries-5.7%

Anti-psychotic medicine- Currently at 4.8%.

Staffing is good with exception of CNAs. The facility is having to use some agency. Mr.Ohrt indicated the facility is actually doing good on budget at this time.

Mr. Ohrt feels that the QAPI program has been very good for the facility and staff. The staff seem more aware of what is going on throughout the facility.

The Medical Director feels the staff are more aware of issues with the residents and takes care of them before they become issues. He also feels the residents are truly benefiting from the program.

CONTACT:

Administrator: Mr. Ray Vasquez

The phone visit was conducted on October 22, 2020. I visited with Mr. Vasquez on this date. Mr. Vasquez has been in the facility for a couple of weeks.

FACILITY:

The census target is 58 and the current census is 71. The breakdown is; Medicare-6; Medicaid-36; Private Pay-21; Private Insurance-2, Hospice-6; Pending Status-. Influx of Medicare residents was due to an area that had a storm and damaged the nursing care facility.

SURVEY:

The state was not in the facility for the month of September.

REPORTABLE INCIDENTS:

The facility had no reportable incidents in September.

Infections:

The infection rate was below the threshold set by infection control, 2%.

Weight Loss:

The facility had several hospice residents that lost weight. The dietician is working with staff to make sure the residents are eating and getting supplements.

ADDITIONAL COMMENT:

Restraints-0

Pressure ulcers-5% for the month of September.

Falls with Major injuries- 0

Anti-psychotics- Currently at 30%. This is up due to influx of new residents. Working to bring number down. Overall, staffing is in good shape. Could use a couple of CNAs. Mr. Vasquez indicated from what he has seen the facility is doing well on budget. He says it needs a little fine tuning but will see the longer he is there. From what the director on nursing has told him, the facility is doing well with the QAPI program. It is making everyone more aware of everything. Medical Director is pleased with the outcomes so far. Still work in progress.

EXHIBIT “E”

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%	
Number Inpatient days	52	76	50	70	59	41	103	102	70	0	1	73	58	
Number Hospice days	0	14	10	14	32	20	17	16	0	0	2	19	12	
Number Swingbed days	6	5	14	18	34	10	54	29	4	0	0	19	16	
Number Observation days	27	12	20	10	21	20	30	43	13	0	0	21	18	
Total All Inpt. Days	85	107	94	112	146	91	204	190	87	0	3	132	104	
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	141	169	190	188			172	
Conversion to Inpatient/observation	9	14	17	14	10	7	6	17	21	10			13	
<i>Percentage</i>	5%	8%	9%	10%	6%	4%	4%	10%	11%	5%			7%	
Transferred out	8	14	7	13	16	11	11	8	9	12			11	
<i>Percentage</i>	4%	8%	4%	9%	10%	7%	8%	5%	5%	6%			6%	
ER shifts covered by doctors	80%	82%	87%	72%	57%	67%	61%	55%	66%	52%			68%	
Number Inpatient days	83	95	69	64	75	74	60	119	90	183			91	
Number Hospice days	1	17	27	7	1	0	0	4	6	0			6	
Number Swingbed days	2	7	16	20	99	57	53	43	62	41			40	
Number Observation days	36	47	21	5	8	11	5	28	33	33			23	
Total All Inpt. Days	122	166	133	96	183	142	118	194	191	257			160	
Average Inpatient days per day	3.94	5.72	4.29	3.20	5.90	4.73	3.81	6.26	6.37	8.29			5.25	1.63
CTs	56	71	59	39	56	48	46	57	54	80			57	
Xrays	270	268	185	160	200	169	151	194	248	280			213	
Ultrasounds	20	20	14	8	5	1	3	2	21	30			12	
Encounters - Adult Clinic	638	598	592	349	360	453	384	388	515	479			476	
Encounters - Pediatric Clinic	274	306	221	69	95	169	178	233	279	243			207	
Behavioral Health patients	45	44	39	0	0	0	0	0	0	0			13	
Physical Therapy	0	1	2	0	1	0	0	0	0	0			0	

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

EXHIBIT “F”

WINNIE-STOWELL EMS RICELAND ER TRANSFER PROJECT

September 9, 2020

OVERVIEW

1. Project Background and Description

- Since November 2019, there have been several instances in which Winnie-Stowell Volunteer Emergency Medical Services ("WSEMS") was unable to accommodate a transfer request made by Winnie Community Hospital ER. This was primarily due to limited resources available at WSEMS. Because our primary mission is to provide 911 coverage to this area, historically WSEMS has not had the manpower to fulfil these requests from Winnie Community Hospital ER. As a result, it is our understanding that the hospital reported delayed arrival times of a transfer ambulance to transport these patients.
- After discussions with the WSEMS Board of Directors, we believe that there is opportunity for a better system for our community. WSEMS are proposes to develop a relationship with Winnie Community Hospital ER where WSEMS provides the requested transport services for all outgoing ER transfers.
- The following persons or organizations have been identified to be involved in this project:
 - WSEMS Staff and their Board of Directors
 - Winnie Community Hospital Staff and Board of Directors
 - Texas Department of State Health Services (DSHS)
- The purpose of this project is as follows:
 - Winnie Community Hospital and WSEMS will work together and support each entity to provide a resolution to the issue involve ER transfers from Winnie Community Hospital, which is an identified need in this community.
 - Provide the ER patients needing transport from Winnie Community Hospital to other facilities, quick access to ambulance transportation.
- Benefits of this project:
 - Timely transfer of patients from Winnie Community Hospital to the appropriate facility based on patient need.
 - Create a stronger working relationship between Winnie Community Hospital and WSEMS.
 - Demonstrate to the communities of Winnie, Stowell and East Chambers County that their local hospital and EMS services are ready and available to provide the best care possible, supporting each patient in their time of need.
 - Winnie Community Hospital will enjoy the benefit of having a "dedicated" transfer ambulance located in their community.
 - WSEMS will have a second ambulance available 24/7 for second box needed 911 calls.
 - Further secure both organizations as vital assets in our community.

2. Project Scope

- The scope of this proposal is to provide quick access to ambulance services for patients requiring transfer by an ambulance.
- The patients will have to meet the Medicare/Medicaid guidelines for ambulance needed transport.
- Those patients not meeting these requirements may not qualify to be transported by a WSEMS ambulance.
- WSEMS will not transport patients to and from doctor's appointments or other diagnostic facilities.

- WSEMS will not transfer patients to/from their homes to the hospital for diagnostic testing/ doctor's appointments.

3. High-Level Requirements

- All transfer paperwork must be completed prior to WSEMS transferring the patient.
 - MOT- Memorandum of Transfer
 - PCS- Physician Certification Statement
 - Patient Records
- Transfer Policy/Procedure implementation by WSEMS.
- Training on ESO Patient Care Report software for WSEMS concerning transfer specific information.
- Training with Winnie Community Hospital Staff to ensure Medicare/Medicaid guidelines are known and followed.

4. Affected Parties

- WSEMS will see an increase in call volume with the addition of the transfer calls.
- Increased call volume and ambulance activity will place increased wear and tear on WSEMS' aging ambulance fleet.
 - In the past 3 months, each ambulance has received extensive maintenance/repair work. This work included a new transmission, front end work and patient compartment air conditioner replaced.
 - A new ambulance will have to be purchased to provide the necessary ER transports.
 - A smaller van-based ambulance cost approximately \$86,000.
- WSEMS will incur an increase in payroll expenses with the addition of one extra Basic EMT each day.
 - WSEMS receives a grant each year from Chambers County to cover payroll expenses. These funds are based on our current staffing plan of 2 paramedics and one basic employee each day. The grant money is insufficient to cover the increase in payroll expense of adding the extra person for transfers.
 - The anticipated additional payroll expense of adding one extra person each day.
 - Basic EMT \$14.00 per hour, results in a day rate of \$336.00.
 - Yearly cost is estimated to be \$122,640.00 to have an extra Basic EMT working each day.

5. Affected Business Processes or Systems

- WSEMS will continue to bill the patient's private insurance or Medicaid/Medicare provider for transport services provided.

6. Implementation Plan

- WSEMS is very excited about this project; however, WSEMS requires help in implementing this vision.
 - As noted above in section 4, there are considerable additional expenses involved for WSEMS to provide this service.
 - WSEMS is requesting the following specific help from Winnie Community Hospital District Board of Directors.
 - Donation of a new transfer ambulance. The cost is estimated at \$86,000. This price was provided to WSEMS by a Winnie resident that is employed as a salesperson for Southeastern Ambulance Sales. Southeastern Ambulance Sales has provided WSEMS, Chambers County EMS, Lumberton Fire Department and other departments with quality ambulances throughout the years.

- WSEMS will also need assistance covering the additional expense of adding one extra person each day. As outlined above, this expense is estimated to be a minimum of \$122,640 per year. We are asking for a yearly stipend/donation/fee of \$125,000 to help cover this additional expense.
- WSEMS will amend their State License to include the ability to provide transfers, include the information for the new ambulance and update to any needed policies, procedures and/or protocols.
- The new transfer ambulance will need to be funded, built and delivered prior to beginning the transfers.
- Any needed contracts will be reviewed and approved by each entity's legal counsel

7. High-Level Timeline/Schedule

- Following is a broad overview of a possible timeline for implementation:
 - Funding, building and delivery of transfer ambulance = 4 months depending on factory.
 - Updating DSHS license = Approximately 60 days after receipt of ambulance.
 - Needed training will begin once the project has been approved by both entities and has received the requisite authority to proceed
- Overall, WSEMS believes a feasible timeline for the program to begin is March to April 2021. This time frame will give enough time to work out any unforeseen issues.

APPROVAL AND AUTHORITY TO PROCEED

We, the Winnie-Stowell EMS Board of Directors, approve the project as described above, and authorize the team to proceed.

Name	Title	Date

Approved By _____

Date _____

Approved By _____

Date _____

EXHIBIT “G”



Buyer's Order Contract

Table with contract details including Date (December 11, 2020), Customer Name (Winnie-Stowell Hospital District), Description of Vehicle (2020 Ford Transit 350 MR), VIN # (TBD), and a detailed pricing breakdown showing a total price per unit of \$62,691.00.

Remit To: Creative Bus Sales, Inc. 14740 Ramona Ave, Chino CA 91710

Terms: The deposit if indicated above is due with this signed contract. The balance due indicated above is due before vehicle(s) will be released to the Customer. If the vehicle(s) is not accepted by the Customer, the vehicle will be available for sale to other customers.

Buyer's Signature: _____
Creative Bus Sales: Casey Gaskins _____ 12/11/2020
CBS Signature: _____



Creative Bus Sales

4955 W. Northgate Drive
Irving, TX 75062
(T) 469-333-8909 X154
(F) 469-333-8918

DATE: _____
CUSTOMER: _____
EMAIL: _____

UNIT(S): _____
CONTACT: _____
PHONE: _____

TITLING INFORMATION

NAME ON TITLE: _____
ADDRESS: _____
CITY, STATE, ZIP: _____ COUNTY: _____

PERSON AUTHORIZED TO SIGN FORMS: _____
PHYSICAL ADDRESS TO SEND FORMS: _____
CITY, STATE, ZIP: _____

EMAIL: _____ PHONE: _____
SIGNERS ID TYPE: _____ NUMBER: _____ STATE: _____

LIENHOLDER INFORMATION

WHO WILL HOLD A LIEN ON THE VEHICLE(S):
NAME: _____
ADDRESS: _____
CITY, STATE, ZIP: _____

BUS/VAN DELIVERY ADDRESS

COMPANY NAME: _____
CONTACT: _____
PHYSICAL ADDRESS: _____
CITY, STATE, ZIP: _____
PHONE: _____

HOW WILL YOU BE PAYING FOR THE VEHICLE?

DO YOU RUN EXEMPT PLATES?

WHERE SHOULD THE PLATES OR COMPLETED TITLE WORK BE SENT?

CONTAC NAME: _____
PHYSICAL ADDRESS: _____
CITY, STATE, ZIP: _____

Accurate information is important, this document determines delivery of your bus/van, registration and where the permanent plates or title work will be sent. If the vehicle will be financed with anyone other than Creative Fleet Leasing, consult with your loan officer prior to completing. Please return the completed document to CHerrera@creativebussales.com or 469-333-8918 (fax). Thank you for your cooperation, please don't hesitate to contact me if you have any questions or concerns.

EXHIBIT “H-1”

AMENDED AND RESTATED AGREEMENT

**Between WINNIE STOWELL HOSPITAL DISTRICT
and**

WICRX ENTERPRISES, INC. WILCOX PHARMACY

For

PHARMACY BENEFIT SERVICES

For

**Winnie Stowell Hospital District (“WSHD”) Indigent Care Assistance Program
 (“ICAP”)**

Contract Period – July 1, 2020 to June 30, 2021

- 6.4.1.3 DISTRICT will notify PHARMACY of approval or denial for Prior Authorization via fax within 1 business day. If Prior Authorization request is approved, PHARMACY may dispense the drug. If Prior Authorization request is denied, DISTRICT will not accept or pay a submitted claim for that drug, and the Participant will be responsible for purchasing the drug on their own.
 - 6.4.2 DMEs: DME prescriptions always require Prior Authorization, and if approved, must be the least expensive available. Therefore, to obtain Prior Authorization for DME:
 - 6.4.2.1 PHARMACY shall notify the Contracted Provider that DISTRICT requires verification of Medical Necessity, and the prescription must be for the least expensive item available.
 - 6.4.2.2 Once PHARMACY obtains needed documentation from Contracted Provider, PHARMACY shall fax documentation to DISTRICT's Contract Administrator for Prior Authorization to be considered.
 - 6.4.2.3 DISTRICT will notify PHARMACY of approval or denial for Prior Authorization via fax within forty-eight (48) hours.
 - 6.4.2.4 If Prior Authorization request is approved, PHARMACY may dispense the DME. If Prior Authorization request is denied, DISTRICT will not accept or pay a submitted claim for that DME, and the Participant will be responsible for purchasing the DME on their own.
- 6.5 FORMULARY EXCLUSIONS: Certain prescription drugs that may be included on the WSHD's ICAP formulary, but as is allowed, WSHD has chosen to exercise its discretion and exclude. Therefore, they are not considered a covered medication for the WSHD ICAP pharmacy Benefit Plan. Formulary exclusions for WSHD's ICAP pharmacy Benefit Plan include, but are not limited to the following:
 - 6.5.1 Cancer treatment drugs;
 - 6.5.2 Cosmetic treatment drugs;
 - 6.5.3 Compound drugs;
 - 6.5.4 Experimental drugs;
 - 6.5.5 HIV treatment/prevention drugs;
 - 6.5.6 HEP C treatment drugs;
 - 6.5.7 Sex Change treatment drugs;
 - 6.5.8 Weight loss drugs;
 - 6.5.9 Over-the-Counter drugs except for cough medicines (i.e., antihistamine) such as Brompheneramine (Bromfed), Chlo-tuss ,Nasopen, and Vanacof; and
 - 6.5.10 Any drug that is not listed on the WSHD ICAP approved formulary

EXHIBIT “H-2”

Brookshire Brothers PHARMACY

PO Box 2058
Lufkin TX 75902-2058
Phone: 936-634-8155 ext 4507
Fax: 936-633-4678

Non-Adjudicated Pharmacy Charge Account Form

Responsible Party Information:

Name of Organization: Winnie-Stowell Hospital District Indigent Care Assistance Program

Owners Name (if applicable):

Address: 520 Broadway Ave

City/State/Zip Winnie, TX 77665

Phone number: (409) 296-1003 Fax number: (409) 400-4023

Email Address: Patricia@wshd-tx.com

Contact Person(s) Name: Patricia Ojeda or Sherrie Norris

Responsible person: (print name) Patricia Ojeda

Signature of Responsible Person(s)

Check all that applies:

Prescriptions need approval from WSHD Indigent Healthcare Director before filling

Clients must present voucher/requisition form to pharmacy

Pharmacist needs to sign customer's Indigent card

Only 3* prescriptions allowed per month; indicate total script count

30 days supply only

Voucher program; check is sent to Corporate Office

Voucher program/ limit (indicate limit)

Claims need to be submitted within 95 days or payment will be denied

Claims need to be submitted by (year end close out date) to guarantee payment.

Maximum \$ for each prescription

Maximum \$150.00* for each patient/customer

Only covered as a secondary insurance plan

Other Clients are allowed 3 RXes pr month at any cost, or unlimited # of RXes for ≤ \$150.00

Rate: Brand name: Cost + \$8.00 each (Requires Prior-Authorization)

Generic name: Cost + \$8.00 (No Prior-Authorization required)

Payment is due on the 25th of every month. If the account becomes delinquent, Brookshire Brothers, Inc. reserves the right to refuse credit.

Pharmacy Managers Signature:

Approved

Corporate Use Only

Denied

Plan Number

Pharmacy Admin

AR Supervisor

VP Accounting

Please send completed form to Brookshire Brothers Pharmacy Corporate

Email: tatkison@brookshirebros.com or **Fax:** 936-633-4678

EXHIBIT “I-1”

AUTHORIZING RESOLUTION

At a duly constituted meeting of the Board of Directors of Winnie-Stowell Hospital District (“District”), a political subdivision of the State of Texas established pursuant to CHAPTER 286 OF THE TEXAS HEALTH & SAFETY CODE, held on March 21, 2018, the following resolution was adopted:

WHEREAS, at its November 18, 2020 Regular Meeting, the Board of Directors unanimously voted to close the District’s two million seven hundred thousand dollars (\$2,700,000.00) Certificate of Deposit (“CD”) at Allegiance Bank and consolidate the proceeds from the closed CD with three million three hundred thousand dollars (\$3,300,000.00) in funds on deposit at Interbank to purchase a six million dollars (\$6,000,000.00) CD at Allegiance Bank.

WHEREAS, at this same Board Meeting, the Board of Directors also unanimously voted to increase its line of credit at Allegiance Bank from two million seven hundred thousand dollars (\$2,700,000.00) to six million dollars (\$6,000,000.00) and to secure the line of credit with the Certificate of Deposit of six million dollars (\$6,000,000.00).

WHEREAS, it was also unanimously approved that the signatories on the six million dollar (6,000,000.00) and the six million dollars (\$6,000,000.00) line of credit shall correspond with the April 19, 2017 Authorizing Resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby adopts the following resolutions:

- (1) Allegiance Bank is authorized to close the District’s two million seven hundred thousand dollars (\$2,700,000.00) Certificate of Deposit at Allegiance Bank and consolidate the proceeds from the closed CD with three million, three hundred thousand dollars (\$3,300,000.00) in funds on deposit at Interbank to purchase a six million dollars (\$6,000,000.00) CD at Allegiance Bank.
- (2) Request Allegiance Bank to increase the District’s line of credit of two million seven hundred thousand dollars (\$2,700,000.00) to six million dollars (\$6,000,000.00) and to secure the line of credit with the newly established Certificate of Deposit of six million dollars (\$6,000,000.00).
- (3) The signatories for these account shall be pursuant to the April 19, 2017 Authorizing Resolution adopted by the District. (*See Exhibit “A”*).
- (4) The District is authorized to enter into Treasurer Management Agreements for this account subject to this resolution.

(5) I further certify that the District is duly organized and existing and has the power to take the action called for by the foregoing resolutions.

RESOLUTION APPROVED AND ADOPTED THIS 18TH DAY OF NOVEMBER 2020

WINNIE STOWELL HOSPITAL DISTRICT



Edward Murrell
President

SECRETARY CERTIFICATE

I, the undersigned, Mr. Jeff Rollo, Secretary of the Winnie Stowell Hospital District, hereby certify that that the foregoing is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of the Winnie Stowell Hospital District at its Regular Meeting held on November 18, 2020, held on the day and at the place therein specified, at which a majority of the members were present and voted. I further certify that the resolution is entered in the minutes and has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 18th day of November 2020.



Jeff Rollo, Secretary
Board of Directors

EXHIBIT “I-2”

AUTHORIZING RESOLUTION

At a duly constituted meeting of the Board of Directors of Winnie-Stowell Hospital District (“District”), a political subdivision of the State of Texas established pursuant to CHAPTER 286 OF THE TEXAS HEALTH & SAFETY CODE, held on November 18th, 2020, the following resolution was adopted:

WHEREAS, at its November 18, 2020 Regular Meeting, the Board of Directors determined that it was in the best interest of the District to designate its First Financial Bank, N.A. (“Bank”) in Abilene, Texas to serve as a Depository Bank for the District subject to Chapter 2256 and 2257 of the Texas Government Code.

WHEREAS, at this same meeting, the Board of Directors unanimously approved to authorize staff to open a “Government Receivables Account” at the Bank to receive deposits from state or federal governmental entity.


WHEREAS, the Board of Directors also unanimously approved staff to open a “Disbursement Account” at the Bank for the purpose of receiving funds from the Governmental Receivable’s Account as well as other non-governmental revenue and to serve as the District’s Texstar account.

WHEREAS, in addition to designating the District’s existing account at Bank as a Depository for the District and authorizing staff to open “Government Receivables Account” and a Disbursement Account at the Bank, the Board of Directors agreed to execute a Depository Account Instruction and Service Agreement (“DAISA”) to be entered into between the Winnie Stowell Hospital District, First Financial Bank, and Salt Creek Capital instructing Bank to routinely sweep all funds in the Governmental Deposit Account into the District’s Disbursement .


NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby adopts the following resolutions:

- (1) First Financial Bank, N.A. (“Bank”) is designated as a depository bank of funds belonging to the Winnie Stowell Hospital District.
- (2) Bank is authorized to open a Government Receivables subject to a Depository Account Instructions and Control Agreement with Bank, District, and Salt Creek Capital and a Disbursement Account subject to a Deposit Account Control Agreement
- (3) It is the District’s policy that two (2) authorized signers approve any disbursements, including wire transfers or ACH from the Bank and subject to any agreements with the Bank and Salt Creek Capital.

- (4) The following officers of the District, listed below, are authorized to wire transfer funds or ACH Funds to or from the Accounts subject to any agreement with Bank or Salt Creek Capital, including but not limited to: Depository Account Instruction and Service Agreements (“DAISA”); or Depository Account Control Agreements (“DACA”):

Name	Title	Signature
Edward Murrell	President	
Anthony Stramecki	Vice President	
Bobby Way	Treasurer	

- (5) The following staff and service provider(s) of the District, listed below, are authorized to wire transfer funds or ACH Funds to or from the Accounts subject to any agreement with Bank or Salt Creek Capital, including but not limited to: Depository Account Instruction and Service Agreements (“DAISA”); or Depository Account Control Agreements (“DACA”):

Name	Title	Signature
Sherrie Norris	District Administrator	

- (5) Furthermore, the District grants “view access” to the District’s accounts at First Financial Bank, N.A. to the following person:

Name	Title	Signature
Mr. Alfred “Rusty” Allen	Salt Creek Capital (Lender)	_____
Mr. Lee Hughes	LTC Group	_____

Mrs. Charice Cole	LTC Group	
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- (6) The District is authorized to enter into Treasurer Management Agreements for each account subject to this resolution.
- (7) The Administrator of the District is authorized and directed to deliver for and on behalf of the District, a certificate of this resolution to the bank.
- (8) The Bank is authorized to rely upon this Resolution until the bank has received written notice of any amendment or recession of the resolution.

I further certify that the District is duly organized and existing, and has the power to take the action called for by the foregoing resolutions.

RESOLUTION APPROVED AND ADOPTED THIS 18TH DAY OF NOVEMBER 2020

WINNIE STOWELL HOSPITAL DISTRICT

Edward Murrell
President

SECRETARY CERTIFICATE

I, the undersigned, Mr. Jeff Rollo, Secretary of the Winnie Stowell Hospital District, hereby certify that that the foregoing is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of the Winnie Stowell Hospital District at its Regular Meeting held on November 18, 2020, held on the day and at the place therein specified, at which a majority of the members were present and voted. I further certify that the resolution is entered in the minutes and has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 18th day of November 2020.

Jeff Rollo, Secretary
Board of Directors

COLLATERAL SECURITY AGREEMENT

This Collateral Security Agreement (this "Agreement"), is made and entered into effective **December 1st , 2020** (the "Effective Date"), by and between **Winnie-Stowell Hospital District**("Depositor") and First Financial Bank, N.A., a national association organized under the laws of the United States and authorized to do banking business in the state of Texas ("Bank").

Pursuant to the terms and provisions of this Agreement, Bank hereby grants a security interest in and a pledge of Eligible Collateral to secure the timely payment of the Uninsured Deposits pursuant to the Depository Agreement.

NOW, THEREFORE, in consideration of the forgoing, and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. **Definitions.** Except as otherwise expressly defined in this Agreement, all terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in Texas (the "Code") have the same meaning as in the Code. All other terms capitalized but not defined herein or in the Code have the meanings assigned to them in the Depository Agreement.

"Account" shall mean that portion of the custodial account established with Custodian in the name of Bank designated by Bank to be held by Custodian for the benefit of Depositor as secured party in accordance with this Agreement.

"Authorized Person" shall be any officer of Depositor or Bank, as the case may be, duly authorized to give Written Instructions on behalf of Depositor or Bank, respectively, such authorized persons for Depositor to be designated in a certificate substantially in the form of **Exhibit B**, attached hereto, as such exhibit may be amended from time to time, or as designated in such other forms as may be prescribed by Bank.

"Book-Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

"Business Day" shall mean any day on which Custodian and Bank are open for business and on which the Book Entry System is open for business.

"Collateral" shall mean the specific amounts and issues of Securities held in the Account and, if applicable, specific amounts of Proceeds held in the Account, securing the timely payment of the Uninsured Deposits of Depositor.

"Collateral Requirement" shall mean the Collateral Requirement as defined in the FFB Public Funds Entity Collateral Security Agreement (August 20, 2019)

Depository Agreement.

"Custodian" shall mean the custodial bank identified to Depositor by Bank to hold the Collateral in the Account.

"Depository Agreement" shall mean Bank Depository Agreement made and entered into by and between Depositor and Bank as of the Effective Date.

"Deposits" shall mean all deposits by Depositor in Bank, including all accrued interest on such deposits, that are available for all uses generally permitted by Bank to Depositor for actually and finally collected funds under Bank's account agreement or policies.

"Eligible Collateral" shall mean any Securities of the types enumerated in the Schedule of Eligible Collateral (which types are in compliance with Depositor's collateral policy as varied by Depositor's approval and execution of this Agreement) attached hereto as Exhibit A, as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties to this Agreement, and any Proceeds of such Securities.

"Market Value" shall mean: (i) with respect to any Security held in the Account, the market value of such Security as made available to Bank or Custodian by a generally recognized source selected by Bank or Custodian, plus, if not reflected in the market value, any accrued interest on such Security, or, if such source does not make available a market value, the market value shall be as determined by Custodian or Bank in its sole discretion based on information furnished to Custodian or Bank by one or more brokers or dealers; and (ii) with respect to any cash held in the Account, the face amount of such cash.

"Proceeds" shall mean any principal or interest payments or other distributions made in connection with Eligible Collateral and anything acquired upon the sale, lease, license, exchange or other disposition of Eligible Collateral.

"Security" or "Securities" shall include, without limitation, any security or securities held in the Book-Entry System; common stock and other equity securities; bonds, debentures and other debt securities; notes, mortgages, or other obligations; and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests in such security or securities.

"Trust Receipt" shall mean evidence of receipt, identification and recording, including a written or electronically transmitted advice or confirmation of transaction or statement of account. Each advice or confirmation of transaction shall identify the specific securities which are the subject of the transaction. If available, statements of account may be provided by Bank or Custodian at least once each month and when reasonably requested by Depositor, and must identify all Eligible Collateral in the Account and its Market Value.

"Uninsured Deposits" shall mean that portion of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of Depositor's Deposits with Bank which exceeds the standard maximum deposit insurance amount ("SMDIA") of the

Federal Deposit Insurance Corporation ("FDIC").

"Written Instructions" shall mean written communications actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person.

2. Security Requirement.

- (a) To secure the timely payment of Uninsured Deposits made by Depositor, Bank has identified to or deposited with Custodian certain Securities as more fully described in the initial confirmation or Trust Receipt delivered by Custodian to Bank and Depositor, and if delivered only to Bank, delivered by Bank to Depositor. Pursuant to the Code, Custodian shall act as a bailee or agent of Depositor and, to the extent not inconsistent with such duties, shall hold Securities as a securities intermediary (as such term is defined in Chapter 8 of the Code) in accordance with the provisions of this Agreement, the Depository Agreement, and of any agreement entered into with Custodian further governing the provision of security by Bank for Uninsured Deposits.
- (b) (i) To secure the timely payment of Uninsured Deposits made by Depositor with Bank, Bank agrees to identify to Custodian, or to deliver or cause to be delivered to Custodian for transfer to the Account, Eligible Collateral having a Market Value equal or greater than the Collateral Requirement.

(ii) If the Market Value of such Eligible Collateral on any Business Day is less than the Collateral Requirement for such day, Bank shall be required to identify or deliver to Custodian additional Eligible Collateral having a Market Value equal to or greater than such deficiency as soon as possible, but no later than the close of business of Custodian on the Business Day on which Bank determined such deficiency. If on any Business Day, the aggregate Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement for such day, Custodian shall, at the direction of Bank and with the approval of the Authorized Person acting on behalf of Depositor, transfer from the Account to or for the benefit of Bank, Eligible Collateral having a Market Value no greater than such excess amount.

(iii) When additional Eligible Collateral is required to cover incremental Deposits, Bank must receive the request for collateral one (1) Business Day prior to the Business Day the incremental Deposits are received, and Bank shall be required to identify or deliver to Custodian additional Eligible Collateral having a Market Value equal to or greater than the deficiency on the Business Day the incremental Deposits are received.
- (c) For any changes made to the Eligible Collateral held in the Account due to releases, substitutions or additions of Eligible Collateral, Custodian shall update

its records of the Account accordingly and promptly issue a Trust Receipt to Bank and Depositor, and if delivered only to Bank, said Trust Receipt shall be delivered by Bank to Depositor.

- (d) Bank shall be entitled to income on Securities held by Custodian in the Account, and Custodian may dispose of such income as directed by Bank without approval of Depositor, to the extent such income is not needed to meet the Collateral Requirement.

3. **Custody of Securities.** The parties agree that all Securities held in the Account shall be treated as financial assets. For purposes of the Code, the security interest granted by Bank in the Eligible Collateral for the benefit of Depositor is created, attaches, and is perfected for all purposes under Texas law from the time Custodian identifies the pledge of Eligible Collateral to Depositor and issues a Trust Receipt for such Eligible Collateral. The security interest of Depositor in the Collateral shall terminate upon the transfer of such Collateral from the Account.

4. **Delivery of Securities.** Bank and Depositor agree that the Collateral identified or delivered to Custodian to be held in the Account may be in the form of credits to the accounts of Custodian in the Book Entry System.

Bank acknowledges that to the extent permitted by law, the records of Bank and/or Custodian with respect to the pledge of Eligible Collateral as described in this Agreement: (a) may be inspected by Depositor or by the Texas Comptroller of Public Accounts (the "Comptroller"), at any time during regular business hours of Bank or Custodian; (b) such records may be subject to audit or inspection at any time pursuant to Sections 2257.025 and 2257.061 of the Texas Government Code, as amended; and (c) reports must be filed by Custodian with the Comptroller when requested by Comptroller.

5. **Collection of Securities.** If Depositor certifies in writing to Custodian that (a) Bank is in default under this Agreement or the Depository Agreement, and (b) Depositor has satisfied any notice or other requirement to which Depositor is subject pursuant to the Depository Agreement, then Depositor may, subject to the provisions of Sections 8 and 9, give Custodian and any appointed receiver Written Instructions to transfer the value of the Collateral (up to the amount that Depositor has in its depository account(s) with Bank as of the date of such default) to an account or accounts controlled by Depositor, and to cease releasing to an account of Bank any Proceeds reflecting the income on Securities in the Account as provided in Section 2(d).

6. **Representation and Warranties.**

- (a) **Representations of Bank.** Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:

- (i) this Agreement has been authorized by Bank's Board of Directors, and such authorization is evidenced by a resolution of Bank's Board of Directors adopted at a duly called meeting;
 - (ii) this Agreement has been legally and validly entered into and is enforceable against Bank in accordance with its terms;
 - (iii) this Agreement and the pledge of Eligible Collateral under this Agreement do not violate or contravene the terms of Bank's charter documents, by-laws, or any agreement or instrument binding on Bank or its property, or any statute or regulation applicable to Bank;
 - (iv) Bank has entered into this Agreement and the Depository Agreement (A) in the ordinary course of business, (B) in good faith and on an arm's-length basis with Depositor, (C) not in contemplation of bankruptcy or insolvency, and (D) without intent to hinder, delay, or defraud Bank's creditors;
 - (v) a copy of each of (A) this Agreement, (B) the Depository Agreement, and (C) the resolution of the Board of Directors of Bank authorizing this Agreement, have been placed (and will be continuously maintained) in the official records of Bank;
 - (vi) Bank is sole legal and actual owner of the Securities or of beneficial interests in Securities deposited in the Account, free of all security interests or other encumbrances, except the security interest created by this Agreement;
 - (vii) this Agreement was executed by an officer of Bank who was authorized by Bank's Board of Directors to do so;
 - (viii) Bank is a bank duly authorized to do business in the State of Texas; and
 - (ix) all acts, conditions, and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement by it exist or have happened or have been performed.
- (b) Representations of Depositor. Depositor represents and warrants, which representations and warranties shall be deemed to be continuing, that:
- (i) this Agreement has been legally and validly entered into, has been approved by Depositor's governing body, and does not and will not violate any statute or regulation applicable to it and is enforceable against Depositor in accordance with its terms;

(ii) the appointment of Custodian has been duly authorized by Depositor and this Agreement was executed by an officer of Depositor duly authorized to do so;

(iii) (A) all Securities identified on the Schedule of Eligible Collateral, attached hereto as Exhibit A, may be used to secure the timely payment of Depositor's Uninsured Deposits under applicable statutes and regulations, (B) the Collateral Requirement meets the requirements of such applicable statutes and regulations, (C) the governing board of Depositor has approved a collateral policy which as varied by Depositor's approval and execution of this Agreement authorizes all such Securities to be used as Eligible Collateral, and (D) such collateral policy complies with all applicable statutes and regulations;

(iv) it will not sell, transfer, assign, convey, pledge, or otherwise dispose in whole or in part its interests in or the rights with respect to the Collateral, except as permitted under the provisions of this Agreement;

(v) all approvals, acts, conditions, and things required to exist, happen, or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed; and

(vi) Depositor will comply with the terms of any other agreements it may have with Bank in connection with this Agreement.

7. **Continuing Agreement.** This Agreement shall continue and remain in full force and effect and shall be binding upon Bank and its successors and assigns until such time as (a) all Deposits have been paid in full to Depositor or otherwise paid as instructed by Depositor, and (b) the Depository Agreement is no longer in effect.

8. **Rights and Remedies of Depositor.** Depositor's rights and remedies with respect to the Collateral shall be those of a secured party under the Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted in this Agreement, in the Depository Agreement, and in any other agreement in effect between Bank and Depositor. Depositor agrees to provide Bank and Custodian with reasonable notice of the sale, disposition, or other intended action subject to the provisions of this Agreement in connection with the Collateral, whether required by the Code or otherwise.

9. **Application of Proceeds by Depositor.** In the event Depositor, or Custodian on Depositor's behalf, sells or otherwise disposes of the Collateral in the course of exercising the remedies provided for in this Agreement, any amounts held, realized or received by or on behalf of Depositor pursuant to the provisions of this Agreement, including the proceeds of the sale, in whole or in part, of any of the Collateral, shall be applied first toward the payment of any costs and expenses incurred by or on behalf of Depositor (a) in enforcing this Agreement, (b) in realizing on selling, disposing or protecting any Collateral and (c) in enforcing or collecting any Deposits, including attorneys' fees, and then toward payment of the

Deposits in such order or manner as Depositor may elect. Any Collateral, or proceeds of sale, remaining after such application and after payment to Depositor of all the Deposits in full shall be paid or delivered to Bank, its successors or assigns, or as a court of competent jurisdiction may direct.

10. **Notices.** Any communication, notice, or demand to be given under this Agreement shall be duly given when delivered in writing or sent by facsimile to a party at its address indicated below.

If to Depositor:

Winnie-Stowell Hospital District

Attn: *Sherrie Norris*
Administrator

Facsimile No.: 409 400 4023

If to Bank:

Executive Vice President, Treasury Department
First Financial Bank, N.A.
400 Pine Street
Abilene, Texas 79601
Facsimile No.: 325-627-7285

11. **Miscellaneous.**

- (a) **Updating Certificate of Authorized Persons.** Depositor agrees to furnish to Bank a new and updated "Certificate of Authorized Persons" substantially in the form of Exhibit B, attached hereto, or in similar form as Bank may require, within a reasonable amount of time after there are additions or deletions to list of Authorized Persons authorized to act on behalf of Depositor.
- (b) **Invalidity; Severability.** If any clause or provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, such holding shall not affect the validity, legality or enforceability of the remaining clauses or provisions of this Agreement.
- (c) **Amendment.** This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties.
- (d) **Assignment and Binding Effect.** Depositor may not assign all or any part of its rights or obligations under the Agreement without Bank's prior express written consent, which may be withheld in Bank's sole discretion. Bank may assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the services described herein. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.

- (e) Governing Law; Venue. This Agreement shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. Bank and Depositor hereby consent to the non-exclusive jurisdiction of a state or federal court situated in Taylor County, Texas, in connection with any dispute arising hereunder. Bank and Depositor hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. **BANK AND DEPOSITOR EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.**
- (f) Liability of the Parties. Bank's and Depositor's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.**
- (g) Except in cases of Custodian's gross negligence or willful misconduct, and excluding the enforcement of Depositor's rights and remedies as a secured party with respect to the Collateral, Bank hereby agrees to indemnify Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity (collectively, "Claims"), or any other expenses, fees or charges of any character or nature which Custodian may incur or with which it may be threatened by reason of Custodian's actions under this Agreement, including but not limited to, any Claims caused or alleged to be caused by the sole or concurrent negligence of Custodian, its employees or agents; and, in connection therewith, to indemnify Custodian against any and all expenses, including without limitation, reasonable attorneys' fees and expenses incurred by Custodian. To the extent covered by such indemnity, Custodian may itself defend any suit brought against it and shall be equally entitled to receive reimbursement from Bank for its reasonable attorneys' fees, expenses, and all reasonable fees and costs incident to any appeals which may result. **Exclusive of the enforcement**

against Custodian of Depositor's rights and remedies as a secured party with respect to the Collateral, Bank and Depositor agree that Custodian shall have no liability to either of them for any loss or damage that either or both may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by this Agreement, regardless of whether such loss or damage is caused or alleged to be caused by the sole or concurrent negligence of Custodian, its employees or agents, unless occasioned solely by the gross negligence or willful misconduct of Custodian. In no event shall Custodian be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Custodian's reasonable control or for indirect, special or consequential damages.

(h) This Agreement shall terminate and be of no force and effect upon receipt by Custodian of written notice from Depositor that Depositor no longer claims an interest in the Collateral. This Agreement may be terminated by Custodian with or without cause, upon its delivery of thirty (30) calendar days prior written notice thereof to Bank and Depositor, and upon the expiration of such thirty (30) day period, all of Custodian's obligations hereunder shall cease. Upon the effective date of such termination, Custodian, will simultaneously transmit to Bank all of the Collateral. Notwithstanding any of the provisions hereof, Depositor shall have, and does hereby retain the right to utilize, other depositories and the right to terminate this Agreement whenever the interest of Depositor may demand.

(i) Captions used in this Agreement are for convenience only and are not intended to limit or expand the meaning of any underlying provisions. This Agreement may be executed in counterparts and by use of signatures delivered by electronic means.

IN WITNESS WHEREOF, Bank and Depositor have caused this Agreement to be duly executed as of the Effective Date.

First Financial Bank, N.A.

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: **David Bailey**
Title: **EVP Senior Lender**

"Bank"

ATTEST:

By: Sherrie Norris
Name: Sherrie Norris
Title: Administrator

By: Edward Murrell
Name: Edward Murrell
Title: Board President

“Depositor”

EXHIBIT A
Schedule of Eligible Collateral

Eligible Collateral

All funds on deposit under the provisions of this Agreement shall be continuously secured in accordance with the Texas Public Funds Collateral Act, Chapter 2257 of the Texas Government Code.

The following Securities are approved as Eligible Collateral for the Uninsured Deposits of Depositor:

“Eligible securities” as defined in Section 2257.002(4) of the Texas Public Funds Collateral Act.

EXHIBIT B
CERTIFICATE OF AUTHORIZED PERSONS
(Depositor)

The undersigned hereby certifies that he/she is the duly elected and acting **President** of Depositor, and further certifies that the following officers or employees of Depositor have been duly authorized in conformity with the approval of Depositor's governing body to deliver Written Instructions to Custodian pursuant to the Depository Agreement between Depositor and Bank dated **December 1st 2020** and pursuant to this Agreement, and that the signatures appearing opposite their names are true and correct:

<u>Sherrie Norris</u>	<u>Administrator</u>	<u>Sherrie Norris</u>	
Name	Title	Signature	
_____	_____	_____	Signature
Name	Title	_____	Signature
_____	_____	_____	Signature
Name	Title	_____	Signature
_____	_____	_____	Signature
Name	Title	_____	Signature
_____	_____	_____	Signature

This certificate supersedes any certificate of authorized individuals you may currently have on file.

By: Edward Murrell
Name: **Edward Murrell**
Title: **Board President**
Date: 11/18/2020

EXHIBIT “I-3”

AUTHORIZING RESOLUTION
(Interbank)

At a duly constituted meeting of the Board of Directors of Winnie-Stowell Hospital District (“District”), a political subdivision of the State of Texas established pursuant to CHAPTER 286 OF THE TEXAS HEALTH & SAFETY CODE, held a Regular Meeting on November 18, 2020 and the following resolution was adopted:

WHEREAS, the District appreciates its relationship with Interbank and its staff, during the November 18, 2020 Regular Board Meeting, the Board of Directors for the Winnie Stowell Hospital District unanimously voted to authorize the winding down and closure of the District’s Government Receivable and Depository Accounts (“Accounts”) at Interbank (“Bank”) once there are no longer any deposits being made into any of the District Accounts at the Bank.

WHEREAS, the District’s Governmental Receivables Account is subject to a Deposit Account Instruction and Control Agreement with Interbank and Salt Creek Capital and the District’s Depository Account is subject to a Deposit Account Control Agreement with Salt Creek Capital (combined referred to as “Agreements”).

WHEREAS, pursuant to the Agreements, the District intends to receive the consent of Salt Creek Capital prior to transferring any funds from the Bank and will work with the Bank and Salt Creek Capital prior to closing its Accounts to ensure compliance with the Agreements.

WHEREAS, in anticipation of closing the Districts Accounts at Interbank, the District’s Board also unanimously approved the authorized signatories on the District’s Accounts, subject to the Agreements, to begin transferring funds from Interbank to the District’s Accounts at: 1) Allegiance Bank in Beaumont, Texas; 2) Prosperity Bank in Winnie, Texas; or 3) First Financial Bank, N.A. in Abilene, Texas.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the District hereby adopts the following resolutions:

- (1) Authorized signers for the District’s Accounts at Interbank have permission to close the District’s Accounts once deposits into the Accounts are discontinued.
- (2) Prior to transferring any funds out of Interbank or closing any of the District’s Accounts at Interbank, the District shall do so in compliance with its existing Agreements with Interbank and Salt Creek Capital.
- (3) Subject to the terms of the Agreements with the Interbank and Salt Creek Capital, the authorized signers have permission to begin transferring funds out of the District’s Accounts at Interbank to 1) Allegiance Bank in Beaumont, Texas; 2) Prosperity Bank in Winnie, Texas; or 3) First Financial Bank, N.A. in Abilene, Texas.

I further certify that the District is duly organized and existing and has the power to take the action called for by the foregoing resolutions.

RESOLUTION APPROVED AND ADOPTED THIS 18TH DAY OF NOVEMBER 2020

WINNIE STOWELL HOSPITAL DISTRICT




Edward Murrell
President

SECRETARY CERTIFICATE

I, the undersigned, Jeff Rollo, Secretary of the Winnie Stowell Hospital District, hereby certify that that the foregoing is a full, true, and correct copy of a resolution duly adopted by the Board of Directors of the Winnie Stowell Hospital District at its Regular Meeting held on November 18, 2020 held on the day and at the place therein specified, at which a majority of the members were present and voted. I further certify that the resolution is entered in the minutes and has not been amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary this 18th day of November 2020.



Jeff Rollo, Secretary
Board of Directors

EXHIBIT “I-4”

**WINNIE STOWELL HOSPITAL DISTRICT
FOURTH AMENDED AND RESTATED
BANKING AND TRANSFER POLICIES AND PROCEDURES
Adopted: November 18, 2020**

Purpose: The purpose of the Amended and Restated Banking and Transfer Policies and Procedures, previously named the Third Amended Transfer Policy and Procedures, is to provide an explanation of the Winnie Stowell Hospital District’s banking practices for its nursing home operations. In addition, as owners of nursing homes in the State of Texas that receive payments from the State of Texas and Federal Government, the District adopts these policies and procedures to ensure compliance with the State of Texas’ and Federal Government’s prohibition on assigning, or collateralizing federal or state funds, attributable to the Medicare and Medicaid programs and rules regarding the prohibition on recycling Federal Medicaid Funds.

Anti-Assignment Rules: As a general rule the selling of Medicare and Medicaid receivables to a third party that *assumes control* over the payments at a discount (i.e., factoring) is prohibited.¹ The rules prohibiting the assignment, or collateralization, of government funds received for payment of healthcare services, including nursing homes, are set forth in Title XIX of the Social Security Act and Section 4.21 of the Texas Medicaid Plan. Specifically, 42.C.F.R. 447.10 requires a state Medicaid plan to adopt rules that prohibit healthcare providers from assigning Medicaid claims. Specifically, 42 C.F.R. 447.10 provide that “no payment under the plan for any care or service provided to an individual ... shall be made to anyone other than such individual providing the care or service”² Consequently, Section 4.21 of the Texas Medicaid Plan provides that “payment for Medicaid services furnished under this plan is made only in accordance with the requirements of 42 C.F.R. 447.10.”³

Missionary Baptist v. First National Bank: In 1986, the Fifth Circuit Court of Appeals discussed issued an opinion in *Missionary Baptist v. First National Bank* case that examined whether health care insurance receivables, specifically Medicaid provider payments, could be used to collateralize a loan. At issue was whether a group of nursing homes in Texas that granted a security interest in their Medicaid accounts to their bank lender were in violation of Social Security Act. In reviewing

¹ *Id*; see also *Bank of Kansas v. Hutchinson Health Services, Inc.*, 12 Kan.App.2d 87 (1987) (reasoning that a Medicaid accounts receivable financing arrangement presented no threat of incorrect or inflated claims and concluding that 42 U.S.C. § 1396a(a)(32) does not prohibit a medical care provider from using Medicaid reimbursement payments as collateral for bank loans.); *In re Boston Neighborhood Health Center Corp.*, 242 B.R. 562 (1999) (providing that “the three statutes do not prohibit health care providers from granting security interests in their receivables under the federal programs. In fact, the statutes contain no prohibition whatsoever on the assignment of claims. Rather, each operates by prohibiting the governmental insurer itself from making payments under its program to anyone other than the service provider [and] was intended to stop the practice of factoring and accomplishes this by prohibiting payment to those who are not providers.”).

² 42 U.S.C. § 1396a(a)(32); 42 C.F.R. § 447.10.

³ Texas Medicaid State Plan, Section 4.21, at 68.

the federal and state prohibitions on assignment, the court concluded that Texas Medicaid’s rigid prohibition on assignment was in conflict with the purpose of the Medicaid statute as a whole – “to enable the state to provide medical assistance on behalf of needy individuals.” The Fifth Circuit justified this opinion by finding that to rule otherwise would “under cut a vital means of financing medical assistance for the needy.”⁴ In reaching this conclusion, the court looked to the federal legislative history regarding the purpose of the anti-assignment provisions and held that Congress enacted the provisions solely to prevent *Missionary Baptist v. First National Bank*, 796 F.2d 752, 758 (5th Cir. 1986).

Double Lock Box Method: Consequently, healthcare providers and lenders began entering into “double lock box” arrangements as a method to provide lender sufficient collateral over governmental receivables while also complying with the federal prohibition on reassignment.⁵ Under a double lock box arrangement, the health care provider (“provider”) establishes a deposit account (i.e., Government Receivables Account) in the name of the provider (for payment of Medicare, Medicaid and other government accounts), and a separate account also in the name of provider (i.e., Commercial Account). The provider then issues instructions to the depository bank to regularly transfer the health care receivables from the provider’s Government Receivables Account to the Commercial Account through a Deposit Account Instructions and Service Agreement (“DAISA”) between the provider, a lender, and the depository bank. As required under the prohibition on reassignment, payments are made directly by a governmental entity to the Government Receivables Account controlled by the provider. The provider maintains control over the Government Receivables Account because the DAISA Agreement must be revocable by the provider. At the same time, however, through the provider’s standing instructions to regularly transfer funds from the provider’s Government Receivables Account to the separate Commercial Account, a lender gains a secured interest in the receivables without violating the prohibition on reassignment. Moreover, control over the Commercial Account is obtained by a Depository Account Control Agreement (“DACA”) between provider, lender, and depository bank. The DACA agreement gives the lender control over the account if the provider defaults on the terms of the underlying loan.

⁴ *Missionary Baptist v. First National Bank*, 796 F.2d 752, 758 (5th Cir. 1986).

⁵ Robert Harris, *Using the Double Lockbox to Navigate Healthcare Asset-Based Lending* (January 2007).

EXHIBIT “I-6”

**POLICIES FOR NURSING HOME OPERATIONS
NURSING HOME INCOME PROCEDURES**

1. The District shall establish a Government Receivables Account and Commercial Account in which the Double Lock Box Arrangement is utilized to deposit and transfer funds for each of its Nursing Facilities.
2. All funds paid to a District Nursing Facility by, or on behalf of a governmental entity, or on behalf of a governmental entity (“government receivables”), for services rendered by a District Nursing Facility shall be deposited into Governmental Receivables Account.
3. All payments made to the District by non-governmental entity shall be deposited into the Commercial Account for the facility.
4. Each District Government Receivables Account shall be required to transfer all daily deposits into the corresponding facility’s Commercial Account regardless of whether the Government Receivables Account is subject to a Deposit Account Instructions and Service Agreement (“DAISA”) between the depository bank, the District, and a third-party lender.
5. If approved by the District’s Board, a facility’s Government Receivables Account may be subject to a revocable DAISA agreement between the District, Depository Institution, and lender for a District Nursing Facility. Likewise, if approved by the District’s Board, a Commercial Account may be subject to Depository Account Control Agreement (“DACA”) between the District, depository institution, and third-party lender for a District Nursing Facility.
6. As required by the Management Agreement between the District and each Nursing Facilities’ Manager (“Manager”), the District will transfer funds on a weekly basis from each of the Commercial Accounts to the designated operations account belonging to the Manager for the facility.
7. In the event of a large deposit(s) is received and needed immediately by a facility, special considerations will be made upon receipt of a written request by the nursing facility manager to the District’s Administrators to expedite the transfer of these funds.
8. Prior to each transfer, the District’s Administrator shall reconcile the payment amounts with LTC Group and receive written verification of the amounts to be transferred from each of the District’s Commercial Accounts to the designated account belonging to a Nursing Facility Manager.

9. In the event that a deposit is disputed by a Manager or was incorrectly deposited into an incorrect account, the District's Administrator and/or a Facility Manager shall notify all the interested parties and the funds shall be held in trust by the District in a District owned "Holding Account" until the parties are able to reconcile the funds.

POLICIES FOR THE ADMINISTRATION OF QUALITY INCENTIVE PAYMENT PROGRAM FUNDS("QIPP")

As owners of twenty-five (25) Nursing Facilities in the State of Texas, the District ("Debtor") has utilized the financial services of Salt Creek Capital, LLC and Neches Capital, LLC to provide short term capital in the form of Short Term Commercial Notes to assist in the District's operations of its nursing homes, including making inter-governmental transfers ("IGTs") so that the District can participate in the Quality Incentive Payment Program ("QIPP") set forth in Tex. Admin. Code §353.1301 and §353.1303, as amended. The policies set forth below are adopted by the District so that the District and its Lender, Salt Creek Capital, LLC, will have a mutual understanding of the District's intent to secure its obligations.

1. District shall 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 First Financial Bank ("First Financial) in Abilene, Texas.
2. The Government Receivables account shall be subject to a revocable Deposit Account Instruction and Service Agreement ("DAISA") entered between Salt Creek Capital, First Financial, and Debtor that requires all QIPP Funds to be swept daily into the Debtor's Commercial Account at First Financial. This Commercial Account shall be subject to a Deposit Account Control Agreement ("DACA") between Salt Creek Capital, LLC, First Financial, and District.
3. All "Component 1" funds, as defined by Tex. Admin. Code §353.1303(g)(1), will remain on deposit in the District's Commercial Account at First Financial until the District's obligations to Salt Creek Capital, LLC are satisfied.
4. For each Short Term Commercial Note entered into with Salt Creek Capital, LLC, or its successors, the District will deposit one half of the total interest due in its Commercial Account at First Financial on the note at the beginning of each loan period and shall use these funds to pay the monthly interest obligations. Once the District receives the initial

quarterly Component 3, 4, and/or Lapsing funds payments from an IGT made for that period, the District will reserve any shortfall between the IGT and the first six (6) Component 1 fund payments that are scheduled to be received in its Commercial Account at First Financial.

5. The District has engaged the services of the LTC Group to provide assistance with the oversight of the District's nursing facilities. The terms of the agreement between the District and the LTC Group are set forth in a Service Agreement entered by the two parties effective September 1, 2018. If the District terminates its Service Agreement with the LTC Group, the District will provide advance notice to Salt Creek Capital, LLC.
6. If the District anticipates amending these policies and procedures regarding QIPP Funds, the District will notify Salt Creek Capital, LLC prior to posting the agenda for the meeting when an amendment(s) to the policy are going to be considered by the Board, and obtain Salt Creek Capital, LLC's, or its successor's, consent to such proposed amendment.

ACCEPTED AND AGREED to this the 18th day of November 2020

Winnie-Stowell Hospital District

By: 
Edward Murrell, President

Loan 17a
Amended and Restated Blocked Account Control
Agreement ("Shifting Control")
10 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE

AGREEMENT dated as of December 1, 2020, among Winnie Stowell Hospital District, a governmental entity and political subdivision of the State of Texas ("District") and Salt Creek Capital, LLC ("Lender") and First Financial Bank, N.A. ("Bank"). The parties hereto refer to Account No. XXXXXX4846 ("the Account") in the name of the District maintained at the Bank and hereby agree as follows:

1. District and Lender notify Bank 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. Bank acknowledges being so notified.
2. The purpose of this Agreement is to perfect a lien against the Account in the event the District defaults on the attached (10 Month) Short Term Commercial Note No. 17a signed on June 1, 2020 by the District. (*See Exhibit B*)

Prior to the Effective Time (as defined below) Bank 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), Bank 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 Bank; 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 Bank 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 Bank 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) Bank 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 Bank (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, Bank'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 Bank with such documentation as Bank may reasonably request to establish the identity and authority of the individuals issuing instructions on behalf of Lender. Lender may request Bank 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, Bank'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 Bank may require in connection therewith).
4. Bank 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) Bank'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) Bank 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) Bank 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 Bank has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Bank 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) Bank 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) Bank 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 Bank's reasonable control.

6. District hereby agrees to indemnify, defend and save harmless Bank 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 Bank'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 Bank 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 Bank'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 Bank'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. Bank 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 Bank 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 Bank for the opening and administration of the Account and services provided hereunder in accordance with Bank'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:	December 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

First Financial Bank, N.A.	
By:	Date: December 1, 2020
Name:	Mr. David Bailey
Title:	Executive Vice President and Senior Lender for the Abilene Region
Address for other Notices: First Financial Bank, N.A. 400 Pine Street Abilene, Texas 79601 Email: dbailey@ffin.com Fax No.:(325)627-7187	Address for Shifting Control and Termination Notices: First Financial Bank, N.A. 400 Pine Street Abilene, Texas 79601 Attention: Mr. David Bailey Email: dbailey@ffin.com Fax No.: (325) 627-7187

Exhibit C

SHIFTING CONTROL NOTICE

FIRST NATIONAL BANK, N.A.
Attn: Mr. David Bailey
400 Pine St.,
Abilene, Texas, 79601
Fax No.: (325) 627-7187
Email: fbailey@ffin.com

Re: Deposit Account Instructions and Control Agreement (“Agreement”) dated as of December 1, 2020 among the Winnie Stowell Hospital District (“Debtor”), Salt Creek Capital, LLC (“Secured Party”), and First Financial Bank, N.A. relating to Account(s) XXXXXX4846.

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: December 1, 2020

EXHIBIT “I-5”

Loan 17b
Amended and Restated Blocked Account Control
Agreement ("Shifting Control")
10 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE

AGREEMENT dated as of August 1, 2020, by and amount the Winnie Stowell Hospital District, a governmental entity and political subdivision of the State of Texas ("District") and Salt Creek Capital, LLC (the "Lender") and First Financial Bank, N.A. ("the Bank"). The parties hereto refer to Account No. XXXXXX4846 ("the Account") in the name of the District maintained at the Bank and hereby agree as follows:

1. District and Lender notify Bank 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. Bank acknowledges being so notified.
2. The purpose of this Agreement is to perfect a lien against the Account, 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) Bank 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), Bank 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 Bank; 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 Bank 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 Bank 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) Bank 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 Bank (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, Bank'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 Bank with such documentation as Bank may reasonably request to establish the identity and authority of the individuals issuing instructions on behalf of Lender. Lender may request Bank 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, Bank'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 Bank may require in connection therewith).
4. Bank 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) Bank'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) Bank 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) Bank 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 Bank has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Bank 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) Bank 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) Bank 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 Bank's reasonable control.

6. District hereby agrees to indemnify, defend and save harmless Bank 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 Bank'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 Bank 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 Bank'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 Bank'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. Bank 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 Bank 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 Bank for the opening and administration of the Account and services provided hereunder in accordance with Bank'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:	December 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

FIRST FINANCIAL BANK, N.A.	
By:	Date: December 1, 2020
Name:	Mr. David Bailey
Title:	Executive Vice President and Senior Lender for the Abilene Region
Address for other Notices: First Financial Bank 400 Pine Street Abilene, Texas 79601 Email: dbailey@ffin.com Fax No.:(325)627-7187	
Address for Shifting Control and Termination Notices: First Financial Bank 400 Pine Street Abilene, Texas 79601 Attention: Mr. David Bailey Email: dbailey@ffin.com Fax No.: (325) 627-7187	

Exhibit C
SHIFTING CONTROL NOTICE

FIRST NATIONAL BANK, N.A.
Attn: Mr. David Bailey
400 Pine St.,
Abilene, Texas, 79601
Fax No.: (325) 627-7187
Email: fbailey@ffin.com

Re: Deposit Account Instruction and Control Agreement (“Agreement”) dated as of December 1, 2020 among the Winnie Stowell Hospital District (“Debtor”), Salt Creek Capital, LLC (“Secured Party”), and First Financial Bank, N.A. relating to Account(s) XXXXXX4846.

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: December 1, 2020

EXHIBIT “J-6”

Loan 18
11 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
December 1, 2020–November 1, 2021

BORROWER INFORMATION

Winnie-Stowell Hospital District
538 Broadway
Winnie, Texas 77665

NOTE. This Commercial Promissory Note dated December 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 November 1, 2021, (the Maturity Date), the Borrower promises to pay the principal amount of five million six hundred nine thousand two hundred ninety-six and no one hundredths (\$5,609,296.00) and all interest on the outstanding principal balance and all other charges provided for in this Note, including service charges, to the order of Lender at its office at the address noted above or at such other place as Lender may designate in writing. The Borrower will make all payments in lawful money of the United States of America.

PAYMENT SCHEDULE. This Note will be paid according to the following schedule: 1) Total Interest on this note is calculated by the following formula: $((\text{Principal} \times \text{annual interest}) / 365 \text{ days}) \times (11 \text{ months} \setminus 12)$; 2) to be paid in eleven (11) equal payments of \$78,530.14 on the last day of each month beginning on December 31, 2020 and continuing each month through November 1, 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 December 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 First Financial Bank, N.A. ("First Financial Bank") in Abilene, Texas. The account number for the Government Receivables Account is XXXXXX4838. Said account shall be subject to a Deposit Account Instruction and Service Agreement ("DAISA") entered between Lender, First Financial Bank, and Borrower that requires all QIPP Funds on deposit to be swept daily into the Borrower's Funding and Disbursement Account, account number XXXXXX4846. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement ("DACA") between


Lender, First Financial Bank, 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: Edward Murrell
Title: Board President

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LOAN 18
SECURITY AGREEMENT FOR
11 MONTH-SHORT TERM COMMERCIAL REVENUE NOTE
December 1, 2020–November 1, 2021

Effective as of December 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 First Financial Bank in Abilene, Texas. The account number for the Government Receivables Account is XXXXXX4838. Said account shall be subject to a Deposit Account Instruction and Service Agreement (“DAISA”) entered between Secured Party, First Financial Bank, and Debtor that requires all QIPP Funds on deposit to be swept daily into the Debtor’s Funding and Disbursement Account, account number XXXXXX4846. The Funding and Disbursement Account shall be subject to a Deposit Account Control Agreement (“DACA”) between Secured Party, First Financial Bank, 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 First Financial Bank, Abilene, Texas, Account Number: XXXXXX4846, 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 First Financial Bank, Abilene, 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, (11 Month) Short Term Commercial Note signed on December 1, 2020 by the Debtor with a term ending November 1, 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 Fourth Amended Transfer Procedures adopted by the Debtor's Board on November 18, 2020,

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 appraisalment, 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, appraisalment, 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.

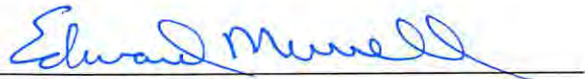
8.19. Provided no default or Event of Default is continuing, cash on deposit comprising the Collateral may be requested by Debtor to pay for customary operating expenses of the Project incurred by Debtor after the date the Evidence of Completion has been delivered to Lender. Such requests shall be accompanied 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

DEPOSIT ACCOUNT INSTRUCTIONS AND SERVICE AGREEMENT

Government Deposit Account

December 1, 2020

This Deposit Account Instructions and Service Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “**Agreement**”), dated as of the date first written above is by and among **FIRST FINANCIAL BANK, N.A.** in its capacity as depository bank (together with its successors and assigns, the “**Bank**”), **WINNIE STOWELL HOSPITAL DISTRICT**, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, section 9, and Chapter 286 of the Health and Safety Code, as amended (the “**Hospital District**”), and **SALT CREEK CAPITAL, LLC**, a Texas Limited Liability, (together with its successors and assigns, the “**Secured Party**”). This Agreement shall serve as instructions regarding the operation and procedures for the accounts at the Bank described below.

1. *Account Identification.* This Agreement applies to account(s) that have been established at the Bank and identified in **Exhibit A** attached hereto (each, an “**Account**” and collectively, the “**Accounts**”). Remittances will be processed in accordance with the terms of this Agreement and the Bank’s standard operating procedures. The Bank shall have no responsibility or duty hereunder with respect to such remittances prior to receipt in each respective Account.

2. *Various Defined Terms.*

(a) “**Business Day**” means any day other than Saturday, Sunday or any day recognized as a holiday by the Board of Governors of the Federal Reserve System.

(b) “**Security Agreements**” means that certain Security Agreements entered into between the District and Secured Party from time to time (as amended, restated, supplemented or otherwise modified from time to time with the prior written consent of Secured Party, which consent will not unreasonably be withheld).

3. *Government Deposit Account.* (a) The account identified on **Exhibit A** as the Government Deposit Account has been established in the name of Hospital District with the Bank for the purpose of receiving checks and electronic funds transfers from payors of governmental receivables for deposit into such account established with the Bank in the name of Hospital District (the “**Government Deposit Account**”). The Bank has no obligation to determine the source of payments received in the Government Deposit Account.

(b) Subject to Section 5 hereof, Hospital District hereby provides the following standing instructions to the Bank pertaining to transfers from the Government Deposit Account (the “**Instructions**”): at the end of each Business Day, the Bank shall transfer from the Government Deposit Account to the Hospital District’s account identified on **Exhibit A** as the Disbursement Account (the “**Disbursement Account**”) the collected balance of the Government

Deposit Account. Solely as long as applicable law provides, or requires, Hospital District may at any time revoke the Instructions upon prior written notice to the Bank and Secured Party (a “**Revocation Order**”), which will direct the Bank to transfer the collected balance in the Government Deposit Account to an account other than the Disbursement Account; *provided, however*, to the fullest extent permitted by applicable law at any time, any such Revocation Order shall not become effective until thirty (30) days after Bank’s and Secured Party’s receipt of such Revocation Order. If a Revocation Order is received, the Bank shall also use all reasonable efforts to promptly provide Secured Party with a copy of such Revocation Order; *provided, however*, that the Bank’s failure or delay in providing Secured Party with a copy thereof shall not result in any liability to the Bank and shall not affect the Bank’s duty to comply with the terms thereof.

(c) The parties hereto hereby agree and confirm that Hospital District has sole dominion and control over the Government Deposit Account and all funds held therein and each party other than Hospital District hereby disclaims any right of any nature whatsoever to control or otherwise direct or make any claims against the funds held, from time to time, in the Government Deposit Account, except as otherwise provided herein or if and as applicable law shall change.

4. *Security Interest.*

(a) The Hospital District has granted to Secured Party a security interest in all amounts from time to time on deposit in the Disbursement Account. The parties hereto agree that this Agreement constitutes an “authenticated record” for purposes of Section 9-104(a)(2) of the Texas Uniform Commercial Code (the “UCC”) and is being entered into to enable Secured Party to provide instructions to Bank pertaining to the Disbursement Account.

(b) The Hospital District represents and warrants to Secured Party and Bank, which representations and warranties shall survive the execution and delivery of this Agreement, that it has not assigned or granted a security interest in the Disbursement Account or any cash, moneys and other property on deposit from time to time therein except to Secured Party. The Hospital District will not permit the Disbursement Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Secured Party’s security interest referred to herein.

5. *Duties.* Hospital District and the Secured Party agree that: (i) Bank has no duty to monitor the balance of the Accounts; (ii) Bank is hereby authorized to honor any instructions with respect to the Government Deposit Account (including a Revocation Order) from Hospital District (without obtaining the consent of Secured Party); (iii) Bank is hereby authorized to, without further inquiry, rely on and act in accordance with any instructions it receives from (or which purport to be from) Hospital District (with respect to the Government Deposit Account) and Bank shall have no liability to the Secured Party, Hospital District or any other person or entity in relying on and acting in accordance with any such instructions; (iv) Bank shall have no responsibility to inquire as to the form, execution, sufficiency or validity of any notice or instructions received by it pursuant hereto, nor to inquire as to the identity, authority or rights of the person or persons executing or delivering the same; and (v) once the notice has become

effective, the Bank shall have two (2) Business Days within which to act in accordance with any notice or instructions from Hospital District with respect to the Government Deposit Account. Notwithstanding the foregoing, Hospital District hereby instructs Bank not to make any transfers from the Government Deposit Account other than those permitted under Section 3(b) and (c), Section 4(a), and Section 9 of this Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement, upon receipt of written notice of the filing or commencement of any bankruptcy, receivership, insolvency, reorganization, dissolution or liquidation proceedings by or against the Hospital District (a "**Bankruptcy Filing**"), the Bank shall immediately cease all transfers of funds pursuant to this Agreement to anyone other than Secured Party. Upon receipt by the Bank of an appropriate order from a court of competent jurisdiction setting aside a Bankruptcy Filing, the Bank shall thereafter resume any transfer of funds pursuant to this Agreement.

6. *Electronic Signatures.* A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

7. *Information.* Hospital District shall, and Bank is hereby authorized to, provide to Secured Party view access to the Accounts and all activity with respect thereto and provide, to the extent reasonably requested by Secured Party, (orally, in writing, electronically or otherwise) balance and transaction information regarding the Accounts, including, without limitation, daily activity in the Accounts and copies of periodic account statements, and Hospital District agrees to pay all expenses and fees in connection therewith.

8. *Exculpation; Indemnity.*

(a) The Bank undertakes to perform only such duties as are expressly set forth herein. Notwithstanding any other provisions of this Agreement, the parties hereby agree that Bank shall not be liable for any action taken by it or any of its directors, officers, agents, employees, affiliates, successors and assigns in accordance with or to interpret this Agreement, including, without limitation, any action so taken at Secured Party's request, except direct damages to the extent attributable to the Bank's own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. In no event shall Bank be liable for any (i) losses or delays resulting from acts of God, war, terrorism, pandemic, force majeure, computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Bank's reasonable control, (ii) for any other damages, including, without limitation, indirect, special, punitive or consequential damages or (iii) any losses or damages to any third-party as a result of any actions taken or omitted by the Bank in accordance with this Agreement.

(b) To the extent allowed by law, Hospital District agrees to indemnify and hold Bank harmless from and against all costs, damages, claims, judgments, reasonable attorneys' fees (whether costs attributed to in-house counsel or fees paid or payable to outside counsel), expenses, obligations and liabilities of every kind and nature (collectively, "**Losses**") which Bank may incur, sustain or be required to pay (other than those solely attributable to Bank's

gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction) in connection with or arising out of this Agreement, the Accounts, and to pay to Bank on demand the amount of all such Losses. Nothing in this Agreement, and no indemnification of Bank under this Section 8, shall affect in any way the indemnification obligations of Hospital District to Secured Party contained in any other agreement. The provisions of this Section 8 shall survive termination of this Agreement.

9. *Charges.* (a) In consideration of the services of Bank in establishing, maintaining, and conducting transactions through the Accounts, Bank has established, and Hospital District hereby agrees to pay, Bank's usual, customary and reasonable fees and other charges for the Accounts (collectively, "**Account Charges**") together with any and all other expenses incurred by Bank in connection with this Agreement or the Accounts, including, without limitation, the reasonable legal fees of the Bank, including the cost or fees of Bank's counsel (whether in-house or outside), of every kind and nature, paid or incurred by Bank in construing and/or enforcing its rights and remedies under this Agreement, and in connection with defending any cause or action, claim, counterclaim, set-off or cross-claim based on any act or omission by the Bank with respect to this Agreement or the Accounts (collectively, with the Account Charges, the "**Charges**").

(b) In connection with the payment of the Charges in any month, Bank will charge the Disbursement Account. If the balance in the Disbursement Account is not sufficient to cover such charges, and Hospital District otherwise fails to pay the amount of such Charges within two (2) Business Days following demand by the Bank, the Bank may debit the Government Deposit Account for the amount of such Charges.

(c) Bank reserves the right to change any or all of the Account Charges according to annual review, upon not less than ten (10) days written notice to Hospital District and Secured Party, provided that all such fees must be the Bank's usual, customary and reasonable fees.

10. *Chargebacks.* (a) All items deposited in, and electronic funds transfers credited to, the Accounts and then returned unpaid or returned (or not finally settled) for any reason (collectively, "**Chargebacks**") will be handled in the following manner:

(i) Any item deposited into the Government Deposit Account which is returned because of insufficient or uncollected funds or otherwise dishonored for any reason will be charged back to the Government Deposit Account.

(ii) Any returns, reversals or Chargebacks relating to electronic funds transfers or deposits into the Government Deposit Account will be charged back to the Government Deposit Account.

(b) The Bank will use reasonable efforts to notify Hospital District of any and all Chargebacks which have been charged back to the Government Deposit Account by reporting the return of such items (or electronic funds transfers) to the persons identified in, or as otherwise designated pursuant to, Section 16 hereof. The returned item will be sent to Hospital

District along with a debit advice. Secured Party will also receive a copy of each such returned item and the debit advice.

(c) If there are insufficient funds in the Government Deposit Account to cover such Chargebacks, and Hospital District otherwise fails to pay to the Bank the amount of such Chargebacks within two (2) Business Days following demand by the Bank, the Bank may then debit the Disbursement Account for the amount of such Chargebacks.

11. *Irrevocable Agreement.* Hospital District acknowledges that the agreements made by it and the authorizations granted by it herein, other than those contained in Section 3, are irrevocable and that the authorizations granted in Sections 3 and 4 are powers coupled with an interest.

12. *Set-off.* The Bank waives all of its existing and future rights of set-off and banker's liens against the Accounts and all items (and proceeds thereof) that come into possession of Bank in connection with the Accounts, except those rights of set-off and banker's liens arising in connection with (a) any charges, fees, expenses, payments and other amounts for which Hospital District is responsible to Bank (including, without limitation, any of the foregoing with respect to cash management services provided by Bank to Hospital District, including, but not limited to, funds transfer (origination or receipt), trade, lockbox, commercial card, investment, disbursement, reconciliation, stop payment, positive pay, automatic investment, imaging, and information services), (b) Chargebacks, (c) Charges, and (d) amounts owed to Bank pursuant to Section 8 hereof.

13. *Partial Subordination of Bank's Rights.* Bank hereby subordinates to the security interest of Secured Party in the funds in the Disbursement Account (i) any security interest which Bank may have or acquire in the Disbursement Account and the funds therein, and (ii) any right which Bank may have or acquire to set off or otherwise apply any funds in the Disbursement Account against the payment of any indebtedness from time to time owing to Bank from Hospital District except for debits to the Disbursement Account permitted under this Agreement for the payment of Chargebacks or Account Charges.

14. *Miscellaneous.* This Agreement is binding upon the parties hereto and their respective successors and permitted assigns (including any trustee of Hospital District appointed or elected in any action under the Bankruptcy Code) and shall inure to their respective benefit. Hospital District shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of Bank and Secured Party. Bank shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of Secured Party and Hospital District. Secured Party may assign its rights or duties under this Agreement by written notice to Bank and the Hospital District and such assignment shall be effective as to the Hospital District and Bank upon written notice to same. Neither this Agreement nor any provision hereof may be changed, amended, modified or waived, except by an instrument in writing signed by all of the parties hereto. Any provision of this Agreement that may prove unenforceable under any law or regulation shall not affect the validity of any other provision hereof. This Agreement may be executed in any number of counterparts which together shall constitute one and the same instrument. The

Government Deposit Account is not subject to any control agreements, and this Agreement shall control in the event of a conflict with the deposit agreement (or similar agreement) with respect to the Government Deposit Account.

15. *Termination.* The Hospital District may terminate this Agreement upon not less than thirty (30) days prior written notice to Secured Party and Bank. Bank may terminate this Agreement for any reason upon thirty (30) calendar days' prior written notice to the Hospital District and Secured Party. Bank may terminate this Agreement at any time upon five (5) calendar days' written notice to the Hospital District and Secured Party if (i) either the Hospital District or Secured Party breaches any of the terms of this Agreement or any other agreement with Bank or (ii) Bank receives from the Hospital District a copy of any written notice from Secured Party to the Hospital District that all of the Hospital District's obligations to Secured Party have been satisfied. This Agreement may be terminated by the Secured Party upon fifteen (15) days' prior written notice to Bank.

16. *Notices.* Any notice or other communication required or permitted under this Agreement shall be in writing and personally delivered, mailed by registered or certified U.S. mail (return receipt requested and postage prepaid), sent by telecopier or other electronic transmission (with a confirming copy sent by regular mail), or sent by prepaid nationally recognized overnight courier service, and addressed to the relevant party at its address set forth below, or at such other address as such party may, by written notice, designate as its address for purposes of notice under this Agreement:

(a) If to the Secured Party, at:

SALT CREEK CAPITAL, LLC
Attn: Alfred G. Allen, III
P.O. Box 930, 455 Elm Street, Suite 100
Graham, Texas 76540
Fax No.: (940) 549-5691
Email: aga@turnerandallen.com

(b) If to Bank, at:

FIRST FINANCIAL BANK, N.A.
Attn: Mr. David Bailey
400 Pine St.
Abilene, Texas, 79601
Fax No.: (325) 627-7187
Email: dbailey@ffin.com

(c) If to Hospital District, at:

WINNIE STOWELL HOSPITAL DISTRICT
Attn: Board Chairman

P.O. Box 1997
Winnie, Texas 77665
Facsimile No.: 409-833-9182
Email: Sherrie@wshd-tx.com

With a copy to:

Hubert Oxford, IV
Benckenstein & Oxford, LLP
3535 Calder, Suite 300
Beaumont, Texas 77706
Telephone: 409-951-4721
Facsimile: 409-833-8819
Email: hoxfordiv@benoxford.com

If mailed, notice shall be deemed to be given three (3) days after being sent, and if sent by personal delivery, telecopier or other electronic transmission or prepaid courier, notice shall be deemed to be given when delivered. If sent by a nationally recognized overnight courier service, the notice shall be deemed to be given when delivered. If any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender unless expressly set forth in such notice.

17. *Governing Law.* This Agreement shall be construed in all respects in accordance with, and enforced and governed by the laws of the State of Texas, without regard to conflicts of law principles. Venue shall be appropriate in Taylor County, Texas, however in any action asserted against the Hospital District, venue shall be in Chambers County, Texas.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Deposit Account Instructions and Service Agreement has been executed and delivered by each of the parties hereto by a duly authorized officer of each such party on the date first set forth above.

HOSPITAL DISTRICT:

WINNIE-STOWELL HOSPITAL DISTRICT, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, § 9 and Chapter 286 of the Health and Safety Code, as amended

By: Edward Murrell

Name: Edward Murrell

Title: President

SECURED PARTY:

SALT CREEK CAPITAL, LLC

By: _____
Name: Alfred G. Allen, III
Its: Manager

ACCEPTED AND AGREED:

BANK:

FIRST FINANCIAL BANK, N.A.

By: _____

Name: David Bailey

Title: Executive Vice President and Senior Lender for the Abilene Region

Exhibit A

Hospital District Name	Government Deposit Account	Disbursement Account
1 Winnie Stowell Hospital District	XXXXXX4838	XXXXXX4846

Loan 18
Blocked Account Control
Agreement (“Shifting Control”)

AGREEMENT dated as of December 1, 2020, by and among Winnie Stowell Hospital District, a governmental entity and political subdivision of the State of Texas (“District”), Salt Creek Capital, LLC (“Lender”) and First Financial Bank, N.A. (“Bank”). The parties hereto refer to Account No. XXXXXX4846 (the “Account”) in the name of the District maintained at the Bank and hereby agree as follows:

1. District and Lender notify Bank 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. Bank acknowledges being so notified.
2. The purpose of this Agreement is to perfect a lien against the Account in the event the District defaults on the attached 11 Month Short Term Commercial Note No. 18 signed on December 1, 2020 by the District. (See **Exhibit B**)

Prior to the Effective Time (as defined below) Bank 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), Bank 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 Bank; 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 Bank 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 Bank 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) Bank 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 Bank (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, Bank’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 Bank with such documentation as Bank may reasonably request to establish the identity and authority of the individuals issuing instructions on behalf of Lender. Lender may request Bank 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, Bank’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 Bank may require in connection therewith).
4. Bank 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) Bank’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) Bank 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) Bank 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 Bank has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Bank 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) Bank 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) Bank 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 Bank's reasonable control.

6. District hereby agrees to indemnify, defend and save harmless Bank 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 Bank'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 Bank 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 Bank'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 Bank'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. Bank 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 Bank 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 Bank for the opening and administration of the Account and services provided hereunder in accordance with Bank'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: December 1, 2020	By:	Date: December 1, 2020
Name: Edward Murrell	Title: President	Name: Alfred G. Allen, III	Title: Manager
Address for Notices: P.O. Box 1997, 538 Broadway Winnie, Texas 77665	Fax No.: (409) 296-6326	Address for Notices: P.O. Box 930, 455 Elm Street, Suite 100 Graham, Texas 76540	Fax No.: (940) 549-5691
Email Address: Murrelledward@yahoo.Com		Email Address: aga@turnerandallen.com	

FIRST FINANCIAL BANK, N.A.	
By:	Date: December 1, 2020
Name: Mr. David Bailey	
Title: Executive Vice President and Senior Lender for the Abilene Region	
Address for other Notices: First Financial Bank 400 Pine Street Abilene, Texas 79601 Email: dbailey@ffin.com Fax No.: (325) 627-7187	Address for Shifting Control and Termination Notices: First Financial Bank 400 Pine Street Abilene, Texas 79601 Attention: Mr. David Bailey Email: dbailey@ffin.com Fax No.: (325) 627-7187

EXHIBIT “J”

DEPOSIT ACCOUNT CONTROL AGREEMENT

Commercial Blocked Account

_____, 2020

This Deposit Account Control Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “**Agreement**”), dated as of the date first written above is by and among **ALLEGIANCE BANK** in its capacity as depository bank (together with its successors and assigns, the “**Bank**”), **WINNIE-STOWELL HOSPITAL DISTRICT**, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, section 9, and Chapter 286 of the Health and Safety Code, as amended (the “**Hospital District**”), **CIBC BANK USA**, an Illinois banking corporation (together with its successors and assigns, the “**First Lien Secured Party**”), and **MERCHANTS BANK OF INDIANA**, (together with its successors and assigns, the “**Second Lien Secured Party**”; together with the First Lien Secured Party, each a “**Secured Party**” and collectively, the “**Secured Parties**”). This Agreement is being entered into in connection with (i) that certain Loan and Security Agreement dated April 1, 2018, (as the same has been and may hereafter be amended, restated, supplemented or otherwise modified from time to time) by and among, the Company, HMG Healthcare, LLC, a Texas limited liability company, as borrower agent, and First Lien Secured Party, and (ii) that certain Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time) by and among Landlord Entities and Second Lien Secured Party, [and (iii) each of those certain Security Agreements delivered by Company and Hospital District to Second Lien Secured Party (as the same may be amended, restated, supplemented or otherwise modified from time to time)]. This Agreement shall serve as instructions regarding the operation and procedures for the accounts at the Bank described below.

1. *Account Identification.* This Agreement applies to each of the accounts that have been established at the Bank and are identified in **Exhibit A** attached hereto (each, an “**Account**” and collectively, the “**Accounts**”). Remittances will be processed in accordance with the terms of this Agreement and the Bank’s standard operating procedures. The Bank shall have no responsibility or duty hereunder with respect to such remittances prior to receipt in each respective Account.

2. *Various Defined Terms.*

(a) “**Business Day**” means any day other than Saturday, Sunday or any day recognized as a holiday by the Board of Governors of the Federal Reserve System.

(b) “**Collateral**” means “Collateral” as such term is defined in the Security Agreement.

(c) “**Company**” means collectively: HMG Park Manor of Deerbrook, LLC, HMG Park Manor of Southbelt, LLC, HMG Park Manor of Tomball, LLC, and HMG Park Manor of The Woodlands, LLC, each a Texas limited liability company.

Deleted: ORIX REAL ESTATE CAPITAL, LLC

Deleted: , a Delaware limited liability company

Deleted: as of the date hereof

Deleted: FRIENDSWOOD TRS, LLC

(d) “Landlord Entities” means collectively: Deerbrook RE, LLC, Southbelt RE, LLC, Tomball RE, LLC, and The Woodlands RE, LLC

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(d) **“QIPP Funds”** means the Accounts (as defined in the Uniform Commercial Code as adopted and in force in the State of Texas) of Hospital District solely representing QIPP Supplemental Payments as defined in the Management Agreement (as defined in the Security Agreement).

[(e) **“Security Agreement”** means, collectively (i) that certain Security Agreement dated as of [], by and between Hospital District and First Lien Secured Party and certain other parties thereto from time to time and (ii) that certain Operator Security Agreement dated as of [], by and between Hospital District and Second Lien Secured Party and certain other parties thereto from time to time (each as amended, restated, supplemented or otherwise modified from time to time).]

3. *Commercial Blocked Account.* (a) The accounts identified on **Exhibit A**, collectively, as the Commercial Blocked Account have been established in the name of Hospital District with the Bank for the purpose of receiving checks and electronic funds transfers from payors of non-governmental receivables for deposit into such accounts established with the Bank in the name of Hospital District for such purpose (the **“Commercial Blocked Account”**). Subject to Section 5 hereof, Hospital District agrees to wire transfer once a week all collected funds in each Commercial Blocked Account (other than the QIPP Funds), into the respective account identified on **Exhibit A** as the Disbursement Account (the **“Disbursement Account”**). Prior to the time the Bank has received and acted upon a Notice of Exclusive Control as defined in Section 5, the Bank and each Secured Party agrees that Hospital District may manually transfer collected funds consisting solely of QIPP Funds from the Commercial Blocked Account on a daily basis and that such funds will not be included in the calculation of the collected and available balance to be transferred to the Disbursement Account; *provided, however*, Hospital District shall promptly send to each Secured Party (i) reasonably substantially similar notice of any notices or other instructions that Hospital District sends to Bank, including, without limitation, any instructions from Hospital District to Bank regarding the transfer of any funds in any Commercial Blocked Account and (ii) upon any Secured Party’s written request reasonable written documentation identifying and tracing any QIPP Funds to verify such amounts. If any QIPP Funds are transferred out of a Commercial Blocked Account to a Secured Party without the consent of Hospital District, such Secured Party shall return such QIPP Funds to the Commercial Blocked Account within ten (10) Business Days of receipt of written notice from Hospital District to such Secured Party (and Hospital District furnishing to such Secured Party reasonable written documentation identifying and tracing such QIPP Funds to verify such amounts) directing such Secured Party to return such QIPP Funds to the Commercial Blocked Account.

(b) Hospital District shall not direct the Bank to transfer funds in the Commercial Blocked Account other than in accordance with Section 3(a) without the express prior written consent of the Control Secured Party; *provided, however*, if any funds transferred into the Commercial Blocked Account are transferred into such Commercial Blocked Account by mistake, Hospital District may timely transfer such funds to the correct deposit account in compliance with the terms and provisions of the Security Agreement. Except as provided otherwise in this

Agreement, Hospital District hereby disclaims any right of any nature whatsoever to control or otherwise direct or make any claim against the funds held in the Commercial Blocked Account from time to time. The Bank has no obligation to determine the source of payments received into the Commercial Blocked Account. Notwithstanding the foregoing, Hospital District shall, and the Bank is hereby authorized to, provide Control Secured Party with view access to the Commercial Blocked Account and all activity with respect thereto and, to the extent reasonably requested by Control Secured Party, to provide (orally, in writing, electronically or otherwise) balance and transaction information regarding the Commercial Blocked Account to Control Secured Party, and Hospital District agrees to pay all expenses and fees in connection therewith.

(c) The parties hereto hereby agree and confirm that Hospital District has sole dominion and control over the Commercial Blocked Account and all funds held therein and each party other than Hospital District hereby disclaims any right of any nature whatsoever to control or otherwise direct or make any claims against the funds held, from time to time, in the Commercial Blocked Account, except as otherwise provided herein or if and as applicable law shall change.

(d) The parties to this Agreement hereby agree and acknowledge that, (i) prior to the time the Bank has received and acted upon a Notice of Exclusive Control, the Hospital District and, (ii) at all other times, the Control Secured Party, may manually transfer collected funds from the Commercial Blocked Account to the respective Government Deposit Account (as defined in that certain Deposit Account Instructions and Service Agreement (Government Deposit Account) by and among Company, Bank, each Secured Party and Hospital District dated as of the date hereof (as amended, restated, supplemented or otherwise modified the “**DAISA**”)) from which such funds were initially transferred on an as needed basis as required by Bank in order for the parties hereto and thereto to comply with Section 10 of the DAISA with respect to Chargebacks (as defined in the DAISA).

(e) As used herein, “**Control Secured Party**” shall mean First Lien Secured Party until the Resignation Effective Time. For the purposes hereof, the “**Resignation Effective Time**” shall be the opening of business on the first Business Day next succeeding the Business Day on which a notice purporting to be signed by the First Lien Secured Party notifies Bank in writing in substantially the same form as Exhibit B, attached hereto, with a copy of this Agreement attached thereto (a “**Resignation Notice**”), is actually received by the unit of Bank to whom the notice is required hereunder to be addressed. On and after the Resignation Effective Time, the term “Control Secured Party” shall mean Second Lien Secured Party and Bank shall cease honoring instructions from the First Lien Secured Party and begin honoring the instructions of the Second Lien Secured Party pursuant to this Agreement. Bank and/or any affiliate may (at its discretion and without any obligation to do so) cease honoring First Lien Secured Party’s instructions and/or commence honoring solely Second Lien Secured Party’s instructions concerning the Accounts at any time after it receives a Resignation Notice but prior to the Resignation Effective Time. As of the Resignation Effective Time, the First Lien Secured Party will no longer be a Secured Party under this Agreement. “**Business Day**” means any day other than Saturday, Sunday or any day recognized as a holiday by the Board of Governors of the Federal Reserve System.

4. *Security Interest.*

(a) Hospital District has granted to each Secured Party a security interest in the Commercial Blocked Account and all amounts from time to time on deposit therein (except solely for QIPP Funds) pursuant to the terms and provisions of the respective Security Agreement. The parties hereto agree that this Agreement constitutes an “authenticated record” for purposes of Section 9-104(a)(2) of the Illinois Uniform Commercial Code (the “UCC”) and is being entered into to give the Secured Parties control of the Commercial Blocked Account as contemplated by Section 9-104(a)(2) of the UCC with regard to the Commercial Blocked Account.

(b) The parties to this Agreement hereby agree and acknowledge that the QIPP Funds are excluded from the definition of Collateral and such QIPP Funds are not subject to any security interest in favor of the Secured Parties.

(c) The Hospital District represents and warrants to the Secured Parties and Bank, which representations and warranties shall survive the execution and delivery of this Agreement, that it has not assigned or granted a security interest in the Commercial Blocked Account or any cash, moneys and other property on deposit therein from time to time therein except to Secured Parties. The Hospital District will not permit the Commercial Blocked Account or funds therein to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Secured Parties’ security interest referred to herein or such other security interest, if any, that shall be subject, from time to time, to an Intercreditor Agreement by and among Secured Parties, Hospital District, a lender for the Hospital District and such other parties thereto, which Intercreditor Agreement shall be in form and substance satisfactory to each Secured Party.

5. *Duties.* (a) Bank agrees to take such action with respect to the Commercial Blocked Account as shall from time to time be specified in any writing received by the Bank from the Control Secured Party and/or Hospital District, to the extent permitted hereunder. Hospital District and the Secured Parties agree that:

(i) Bank has no duty to monitor the balance of the Commercial Blocked Account;

(ii) Prior to the time the Bank has received and acted upon a notice from Control Secured Party that Control Secured Party is taking control of the Commercial Blocked Account (a “**Notice of Exclusive Control**”), funds in the Commercial Blocked Account shall be transferred in accordance with Section 3(a) hereof only;

(iii) Bank is hereby authorized to, without further inquiry, rely on and act in accordance with any instructions it receives from (or which purport to be from) the Control Secured Party (with respect to the Commercial Blocked Account), notwithstanding any conflicting or contrary instructions Bank receives from Hospital District, and Bank shall have no liability to the Secured Parties, Hospital District or any other person or entity in relying on and acting in accordance with any such instructions; and

(iv) Bank shall have no responsibility to inquire as to the form, execution, sufficiency or validity of any notice or instructions received by it pursuant hereto, nor to inquire as to the identity, authority or rights of the person or persons executing or delivering the same.

After the Bank has received and acted on a Notice of Exclusive Control (which shall be within no later than one (1) Business Day after receipt by Bank of such Notice of Exclusive Control from Control Secured Party), the parties hereto agree as follows:

(i) Bank shall immediately cease transfers to the Disbursement Account (unless Bank receives written instruction from Control Secured Party to the contrary) and Bank shall cease honoring instructions from Hospital District with respect to the Commercial Blocked Account;

(ii) Control Secured Party may at any time make withdrawals from the Commercial Blocked Account and take any and all actions with respect to such Account and Hospital District hereby authorizes the Bank to, and the Bank shall, honor any instructions with respect to the Commercial Blocked Account (including withdrawals therefrom) that purport to be from Control Secured Party;

(iii) Control Secured Party shall promptly send to Hospital District reasonably substantially similar notice of any notices or other instructions that Control Secured Party sends to Bank, including, without limitation, any instructions from Control Secured Party to Bank regarding the transfer of any funds in any Commercial Blocked Account;

(iv) Other than with respect to the instructions set forth herein, Bank shall act upon any other instructions Bank receives from Control Secured Party on the fifth (5th) Business Day after receipt by Bank of such instructions, *provided, however*, Bank may act sooner upon receipt of joint written instructions from both Control Secured Party and Hospital District;

(v) Control Secured Party shall promptly respond to Hospital District upon Hospital District's written request for reasonable written documentation identifying and tracing any QIPP Funds to verify such amounts; and

(vi) Control Secured Party agrees to use reasonable efforts to not transfer any funds out of the Commercial Blocked Account other than to its knowledge the Collateral; *provided, however*, the Control Secured Party shall request Bank to transfer QIPP Funds to a deposit account designated by Hospital District in writing (at Hospital District's cost) within five (5) Business Days of receipt by Control Secured Party of (x) express written instructions from Hospital District directing Control Secured Party to transfer such QIPP Funds and (y) reasonable written documentation from Hospital District identifying and tracing such QIPP Funds to verify such amounts, in each case in form and substance reasonably satisfactory to Control Secured Party.

Notwithstanding the preceding terms of this Section 5, it is expressly understood and agreed that any direction or request by the Control Secured Party or Hospital District with respect to the disposition of funds on deposit in the Commercial Blocked Account will apply only to final and collected funds on deposit in the Commercial Blocked Account and the Control Secured Party and/or Hospital District shall make withdrawals from the Commercial Blocked Account only via federal wire or by electronic funds transfer.

(b) Except as to QIPP Funds (to the extent allowed by law), notwithstanding anything to the contrary contained in this Agreement, upon receipt of written notice of the filing or

commencement of any bankruptcy, receivership, insolvency, reorganization, dissolution or liquidation proceedings by or against the Hospital District (a "**Bankruptcy Filing**"), the Bank shall immediately cease all transfers of funds pursuant to this Agreement to anyone other than Control Secured Party; *provided, however*, that such suspension shall in no way effect the rights of Bank to debit the Accounts for Chargebacks (in each case as hereinafter defined) as provided for in this Agreement). Upon receipt by the Bank of an appropriate order from a court of competent jurisdiction, the Bank shall thereafter resume any transfer of funds pursuant to this Agreement.

6. *Electronic Signatures.* A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

7. *Information.* Hospital District shall, and Bank is hereby authorized to, provide to Secured Parties view access to the Commercial Blocked Account and all activity with respect thereto and provide, to the extent reasonably requested by such Secured Party, (orally, in writing, electronically or otherwise) balance and transaction information regarding the Commercial Blocked Account, including, without limitation, daily activity in the Commercial Blocked Account and copies of periodic account statements, and Hospital District agrees to pay all expenses and fees in connection therewith.

8. *Exculpation; Indemnity.*

(a) The Bank undertakes to perform only such duties as are expressly set forth herein. Notwithstanding any other provisions of this Agreement, the parties hereby agree that Bank shall not be liable for any action taken by it or any of its directors, officers, agents, employees, affiliates, successors and assigns in accordance with this Agreement, including, without limitation, any action so taken at Control Secured Party's request, except direct damages attributable to the Bank's own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. In no event shall Bank be liable for any (i) losses or delays resulting from acts of God, war, terrorism, force majeure, computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Bank's reasonable control, (ii) for any other damages, including, without limitation, indirect, special, punitive or consequential damages or (iii) any losses or damages to any third-party as a result of any actions taken or omitted by the Bank in accordance with this Agreement.

(b) To the extent allowed by law, Hospital District agrees to indemnify and hold Bank harmless from and against all costs, damages, claims, judgments, reasonable attorneys' fees (whether in-house or outside counsel), expenses, obligations and liabilities of every kind and nature (collectively, "**Losses**") which Bank may incur, sustain or be required to pay (other than those solely attributable to Bank's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction) in connection with or arising out of this Agreement, the Accounts, and to pay to Bank on demand the amount of all such Losses. After Control Secured Party sends a Notice of Exclusive Control, Control Secured Party agrees, jointly and severally with Hospital District, to indemnify and hold Bank harmless from and against any and all Losses (other than those attributable to Bank's gross negligence or willful misconduct and except to the extent such Losses constitute indirect damages, lost profits, or special, punitive or

consequential damages) actually incurred in connection with or arising out of any written instruction provided by Control Secured Party. Nothing in this Agreement, and no indemnification of Bank under this Section 8, shall affect in any way the indemnification obligations of Hospital District to the Secured Parties contained in any other agreement. The provisions of this Section 8 shall survive termination of this Agreement. Notwithstanding anything contained to the contrary in this Section 8, the (a) Secured Parties shall have no obligation to indemnify Bank against any Losses that constitute indirect damages, lost profits, or special punitive, or consequential damages, and (b) in the event the United States Department of Housing and Urban Development (“**HUD**”) becomes a party to this Agreement, no obligation to indemnify Bank shall apply to HUD.

9. *Charges.* (a) In consideration of the services of Bank in establishing, maintaining, and conducting transactions through the Accounts, Bank has established, and Hospital District hereby agrees to pay, Bank’s usual, customary and reasonable fees and other charges for the Accounts (collectively, “**Account Charges**”) together with any and all other expenses incurred by Bank in connection with this Agreement or the Accounts, including, without limitation, the reasonable legal fees of the Bank, including the fees of Bank’s internal counsel, of every kind and nature, paid or incurred by Bank in enforcing its rights and remedies under this Agreement, or in connection with defending any defense, cause or action, claim, counterclaim, set-off or cross-claim based on any act or omission by the Bank with respect to this Agreement or the Accounts (collectively, with the Account Charges, the “**Charges**”).

(b) In connection with the payment of the Charges in any month, Bank will charge the Commercial Blocked Account. If the balance in the Commercial Blocked Account is not sufficient to cover such fees, Hospital District shall pay the amount of such shortfall upon demand by the Bank. If Hospital District does not pay such Charges within two (2) Business Days of receipt of a billing statement detailing such Charges, and a Notice of Exclusive Control has been delivered to Bank, the Control Secured Party agrees to pay Bank, via wire transfer or other immediately available funds, the amount of such Charges within two (2) Business Days after receipt of a billing statement detailing such Charges, *provided, however*, that any such liability of the Control Secured Party to Bank shall in no way release Hospital District from liability to the Control Secured Party and shall in no way impair the Control Secured Party’s rights and remedies against Hospital District, by way of subrogation or otherwise, to collect all such Charges.

(c) Bank reserves the right to change any or all of the fees and charges according to annual review, upon not less than ten (10) days written notice to Hospital District and the Secured Parties, provided that all such fees must be the Bank’s usual, customary and reasonable fees.

10. *Chargebacks.* (a) All items deposited in, and electronic funds transfers credited to, the Accounts and then returned unpaid or returned (or not finally settled) for any reason (collectively, “**Chargebacks**”) will be handled in the following manner:

(i) Any item which is returned because of insufficient or uncollected funds or otherwise dishonored for any reason will be charged back to the Commercial Blocked Account.

(ii) Any returns, reversals or Chargebacks relating to electronic funds transfers or deposits into the Commercial Blocked Account will be charged back to the Commercial Blocked Account.

(b) The Bank will use reasonable efforts to notify Hospital District of any and all Chargebacks which have been charged back to the Commercial Blocked Account by reporting the return of such items (or electronic funds transfers) to the persons identified in, or as otherwise designated pursuant to, Section 16 hereof. The returned item will be sent to Hospital District along with a debit advice. Secured Parties will also receive a copy of each such returned item and the debit advice; *provided, however*, that after receipt of written notice from Control Secured Party, the Bank will send the returned item directly to Control Secured Party.

11. *Irrevocable Agreement.* Hospital District acknowledges that the agreements made by it and the authorizations granted by it herein are irrevocable and that the authorizations granted in Sections 3 and 4 are powers coupled with an interest.

12. *Set-off.* The Bank waives all of its existing and future rights of set-off and banker's liens against the Accounts and all items (and proceeds thereof) that come into possession of Bank in connection with the Accounts, except those rights of set-off and banker's liens arising in connection with (a) any charges, fees, expenses, payments and other amounts for which Hospital District is responsible to Bank (including, without limitation, any of the foregoing with respect to cash management services provided by Bank to Hospital District, including, but not limited to, funds transfer (origination or receipt), trade, lockbox, commercial card, investment, disbursement, reconciliation, stop payment, positive pay, automatic investment, imaging, and information services), (b) Chargebacks, (c) Charges, and (d) amounts owed to Bank pursuant to Section 8 hereof.

13. *Partial Subordination of Bank's Rights.* Bank hereby subordinates to the security interest of Secured Parties in the Commercial Blocked Account and all funds therein (i) any security interest which Bank may have or acquire in the Commercial Blocked Account and the funds therein, and (ii) any right which Bank may have or acquire to set off or otherwise apply any funds in the Commercial Blocked Account against the payment of any indebtedness from time to time owing to Bank from Hospital District except for debits to the Commercial Blocked Account permitted under this Agreement for the payment of Chargebacks or Account Charges.

14. *Miscellaneous.* This Agreement is binding upon the parties hereto and their respective successors and permitted assigns (including any trustee of Hospital District appointed or elected in any action under the Bankruptcy Code) and shall inure to their respective benefit. Bank shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of each Secured Party and Hospital District. Hospital District shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of Bank and each Secured Party. Each Secured Party may assign its rights or duties under this Agreement, including without limitation to HUD, by written notice to Bank and the Hospital District and such assignment shall be effective as to the Hospital District and Bank upon written notice to same. Neither this Agreement nor any provision hereof may be changed, amended, modified or waived, except by an instrument in writing signed

by all of the parties hereto. Any provision of this Agreement that may prove unenforceable under any law or regulation shall not affect the validity of any other provision hereof. This Agreement may be executed in any number of counterparts which together shall constitute one and the same instrument. The Commercial Blocked Account is not subject to any control agreements, and this Agreement shall supersede any deposit account control agreement or deposit agreement (or similar agreement) with respect to the Commercial Blocked Account.

15. *Termination.* Bank may terminate this Agreement for any reason upon thirty (30) calendar days' prior written notice to the Hospital District and Secured Party. Bank may terminate this Agreement at any time upon five (5) calendar days' written notice to the Hospital District and each Secured Party if (i) either the Hospital District or a Secured Party breaches any of the terms of this Agreement or any other agreement with Bank or (ii) Bank receives from the Hospital District a copy of any written notice from each Secured Party to the Hospital District that all of the Hospital District's obligations to each Secured Party have been satisfied. This Agreement may be terminated by (i) both Secured Parties acting together, or by (ii) Second Lien Secured Party acting as Control Secured Party, in each case, upon fifteen (15) days' prior written notice to Bank. The Hospital District may not terminate this Agreement without the prior written consent of each Secured Party. Upon termination of this Agreement by Bank, Bank shall transfer all available funds in the Commercial Blocked Account in accordance with Control Secured Party's instructions.

16. *Notices.* Any notice or other communication required or permitted under this Agreement shall be in writing and personally delivered, mailed by registered or certified U.S. mail (return receipt requested and postage prepaid), sent by telecopier or other electronic transmission (with a confirming copy sent by regular mail), or sent by prepaid nationally recognized overnight courier service, and addressed to the relevant party at its address set forth below, or at such other address as such party may, by written notice, designate as its address for purposes of notice under this Agreement:

(a) If to the First Lien Secured Party, at:

CIBC BANK USA
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Peter J. Kane, Managing Director,
Adam D. Panos, Managing Director and Michael Velazquez,
Managing Director;
Telephone No. (312) 564-1224 / (312) 564-3952
Facsimile No. (312) 564-6889
Email: peter.kane@cibc.com, adam.panos@cibc.com,
and michael.velazquez@cibc.com

With a copy to:

Duane Morris LLP
190 South LaSalle Street, Suite 3700

Chicago, Illinois 60603
Attention: Brian P. Kerwin, Esq.
Telephone No. (312) 499-6737
Facsimile No. (312) 499-6701;
Email: BPKerwin@duanemorris.com

(b) If to Second Lien Secured Party, at:

[Merchants Bank of Indiana](#)
[410 Monon Blvd. 4th Floor](#)
[Carmel, Indiana 46032](#)

Attn:
Telephone No.: ()
Facsimile No.: ()

With copies to:

Attn:
Telephone: ()

(c) If to Bank, at:

Allegiance Bank
55 IH 10 North
Beaumont, Texas 77707
Attn: Mr. Steve Lucas
Telephone: 409-861-5001
Facsimile: 409-866-0115
Email: steve.lucas@Allegiancebank.com

With a copy to:

Allegiance Bank
8847 W Sam Houston Pkwy N
Suite 200
Houston, Texas 77040
Attn: Legal Department
Facsimile: 281-894-0019
Email: legal@allegiancebank.com

(d) If to Hospital District, at:

Winnie-Stowell Hospital District,

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Deleted: ORIX Real Estate Capital, LLC¶
65 East State Street, 16th Floor¶
Columbus, OH 43215¶

Deleted: Loan Servicing

Deleted: 614) 224-8800

Deleted: 614) 224-8805

Deleted: Baker, Donelson, Bearman, Caldwell &
Berkowitz, P.C.¶
633 Chestnut St., Suite 1900 ¶
Chattanooga, TN 37450

Deleted: James H. Levine

Deleted: 423) 209-4133

P.O. Box 1997
Winnie, Texas 77665
Attention: Board Chairman
Telephone No.: 409-296-1003
Facsimile No.: 409-833-9182
Email: Sherrie@wshd-tx.com

With a copy to:

Hubert Oxford, IV
Benckenstein & Oxford, LLP
3535 Calder, Suite 300
Beaumont, Texas 77706
Telephone: 409-951-4721
Facsimile: 409-833-8819
Email: hoxfordiv@benoxford.com

If mailed, notice shall be deemed to be given three (3) days after being sent, and if sent by personal delivery, telecopier or other electronic transmission or prepaid courier, notice shall be deemed to be given when delivered. If any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender unless expressly set forth in such notice.

17. *Governing Law.* This Agreement shall be construed in all respects in accordance with, and enforced and governed by the laws of the State of Texas, without regard to conflicts of law principles. Venue shall be in Chambers County, Texas.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Deposit Account Control Agreement has been executed and delivered by each of the parties hereto by a duly authorized officer of each such party on the date first set forth above.

HOSPITAL DISTRICT:

WINNIE-STOWELL HOSPITAL DISTRICT, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, § 9 and Chapter 286 of the Health and Safety Code, as amended

By: _____
Name: Edward Murrell
Title: President

FIRST LIEN SECURED PARTY:

CIBC BANK USA

By: _____
Name: Michael Velazquez
Its: Managing Director

SECOND LIEN SECURED PARTY:

**MERCHANTS BANK OF
INDIANA**

By: _____
Name:
Its:

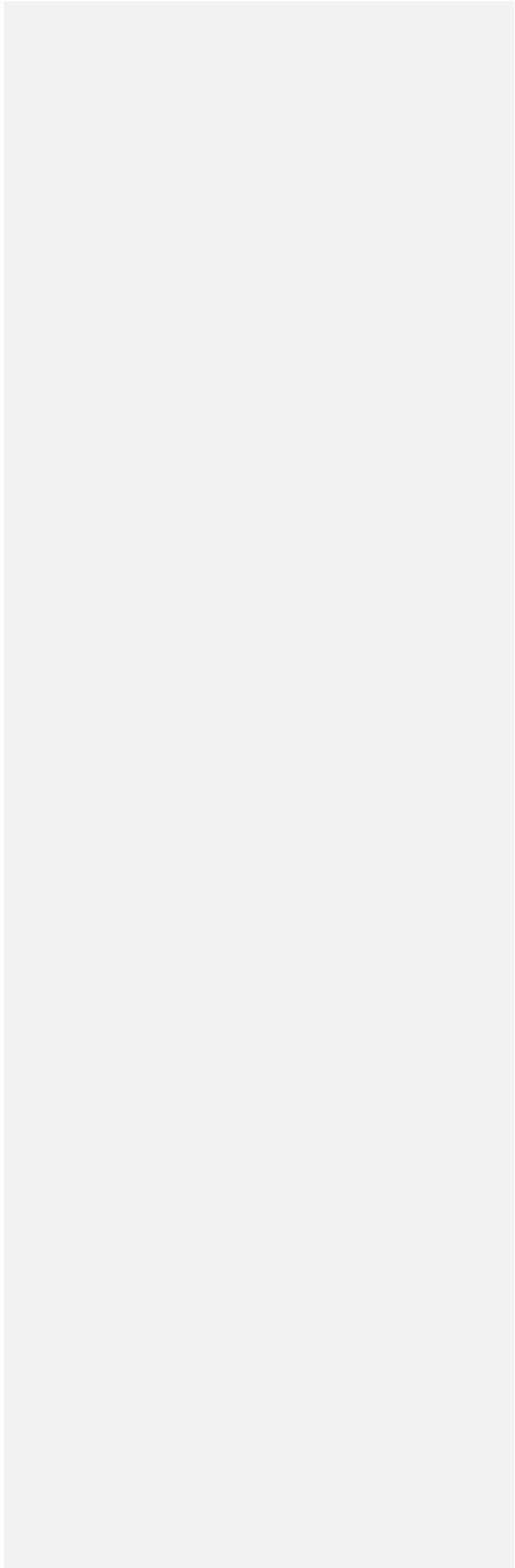
Deleted: ORIX REAL ESTATE CAPITAL, LLC

ACCEPTED AND AGREED:

BANK:

ALLEGIANCE BANK

By: _____
Name: _____
Title: _____



For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby unconditionally and irrevocably agree that they shall jointly and severally promptly deposit unrestricted and immediately available funds (in an amount equal to any amounts debited, set off or otherwise deducted in excess of \$20,000 per Commercial Blocked Account per month) into the applicable Disbursement Account or Commercial Blocked Account if for any reason the Bank debits, sets off or otherwise deducts either or both of such Accounts at any time and from time to time pursuant to Sections 8, 9, 10 or 12 of the foregoing Deposit Account Control Agreement:

[HMG PARK MANOR OF DEERBROOK, LLC](#)
[HMG PARK MANOR OF SOUTHBELT, LLC](#)
[HMG PARK MANOR OF TOMBALL, LLC](#)
[HMG PARK MANOR OF THE WOODLANDS, LLC](#)

Deleted: FRIENDSWOOD TRS

Name: Laurence C. Daspit
Its: Chief Financial Officer

EXHIBIT B
RESIGNATION NOTICE

Date: _____

Address: _____

Attention: _____

Re: Blocked Account Agreement dated as of [____], 2020 (the "Agreement"), by and among the Company signatory thereto, **CIBC BANK USA**, an Illinois banking corporation (the "**First Lien Secured Party**"), **MERCHANTS BANK OF INDIANA** (the "**Second Lien Secured Party**") and **CIBC BANK USA**, an Illinois banking corporation (the "Bank") relating to the accounts listed on Exhibit A to the Agreement.

Deleted: ORIX REAL ESTATE CAPITAL, LLC, a Delaware limited liability company

Ladies and Gentlemen:

The First Lien Secured Party notifies Bank that it shall cease to be a party hereto or a "Secured Party" hereunder (and that any requirement hereunder requiring notice to or the consent of First Lien Secured Party shall instead be deemed to require notice to or the consent of Second Lien Secured Party). This constitutes a Resignation Notice as referred to in paragraph 3(e) of the Agreement, a copy of which is attached hereto.

CIBC BANK USA, an Illinois banking corporation,
in its capacity as First Lien Secured Party

By: _____

DEPOSIT ACCOUNT INSTRUCTIONS AND SERVICE AGREEMENT

Government Deposit Account

[_____], 2020

This Deposit Account Instructions and Service Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, this “**Agreement**”), dated as of the date first written above is by and among **ALLEGIANCE BANK** in its capacity as depository bank (together with its successors and assigns, the “**Bank**”), **WINNIE-STOWELL HOSPITAL DISTRICT**, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, section 9, and Chapter 286 of the Health and Safety Code, as amended (the “**Hospital District**”), **CIBC BANK USA**, an Illinois banking corporation (together with its successors and assigns, the “**First Lien Secured Party**”), and **MERCHANTS BANK OF INDIANA**, (together with its successors and assigns, the “**Second Lien Secured Party**”; together with the First Lien Secured Party, each a “**Secured Party**” and collectively, the “**Secured Parties**”). This Agreement is being entered into in connection with (i) that certain Loan and Security Agreement dated as April 1, 2018 (as the same has been and may hereafter be amended, restated, supplemented or otherwise modified from time to time) by and among, the Company, HMG Healthcare, LLC, a Texas limited liability company, as borrower agent and First Lien Secured Party, and (ii) that certain Agreement dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time) by and among the Landlord Entities as borrower and Second Lien Secured Party, and (iii) each of those certain Security Agreements delivered by Company and Hospital District to Second Lien Secured Party (as the same may be amended, restated, supplemented or otherwise modified from time to time). This Agreement shall serve as instructions regarding the operation and procedures for the accounts at the Bank described below].

1. *Account Identification.* This Agreement applies to each of the accounts that have been established at the Bank and are identified in **Exhibit A** attached hereto (each, an “**Account**” and collectively, the “**Accounts**”). Remittances will be processed in accordance with the terms of this Agreement and the Bank’s standard operating procedures. The Bank shall have no responsibility or duty hereunder with respect to such remittances prior to receipt in each respective Account.

2. *Various Defined Terms.*

(a) “**Business Day**” means any day other than Saturday, Sunday or any day recognized as a holiday by the Board of Governors of the Federal Reserve System.

(b) “**Company**” means collectively HMG Park Manor of Deerbrook, LLC, HMG Park Manor of Southbelt, LLC, HMG Park Manor of Tomball, LLC, and HMG Park Manor of The Woodlands, LLC, each a Texas limited liability company.

(c) “**Landlord Entities**” means collectively Deerbrook RE, LLC, Southbelt RE, LLC, Tomball RE, LLC, and The Woodlands RE, LLC, each a Texas limited liability company.

Deleted: ORIX REAL ESTATE CAPITAL, LLC

Deleted: , a Delaware limited liability company

Deleted: of the date hereof

Deleted: FRIENDSWOOD TRS, LLC

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(d) “**QIPP Funds**” means the Accounts (as defined in the Uniform Commercial Code as adopted and in force in the State of Texas) of Hospital District solely representing QIPP Supplemental Payments as defined in the Management Agreements (as defined in the Security Agreement).

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[(e) “**Security Agreement**” means, collectively (i) that certain Security Agreement dated as of [], by and between Hospital District and First Lien Secured Party and certain other parties thereto from time to time and (ii) that certain Operator Security Agreement dated as of [], by and between Hospital District and Second Lien Secured Party and certain other parties thereto from time to time (each as amended, restated, supplemented or otherwise modified from time to time).]

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3. *Government Deposit Account.* (a) The accounts identified on **Exhibit A**, collectively, as the Government Deposit Account have been established in the name of Hospital District with the Bank for the purpose of receiving checks and electronic funds transfers from payors of governmental receivables for deposit into such accounts established with the Bank in the name of Hospital District for such purpose (the “**Government Deposit Account**”). The Bank has no obligation to determine the source of payments received in the Government Deposit Account.

(b) Subject to Section 5 hereof, Hospital District hereby provides the following standing revocable instructions pertaining to the Government Deposit Account (the “**Instructions**”) to the Bank; on each Business Day, the Bank shall transfer to the Hospital District’s respective account identified on **Exhibit A** as the Disbursement Account (the “**Disbursement Account**”) the collected balance of the Government Deposit Account. Solely as long as applicable law provides, or requires, Hospital District may at any time revoke the Instructions upon prior written notice to the Bank and each Secured Party (a “**Revocation Order**”), which will direct the Bank to transfer the collected balance in the Government Deposit Account to an account other than the Disbursement Account; *provided, however*, to the fullest extent permitted by applicable law at any time, any such Revocation Order shall not become effective until thirty (30) days after Bank’s and each Secured Party’s receipt of such Revocation Order. If a Revocation Order is received, the Bank shall also use all reasonable efforts to promptly provide each Secured Party with a copy of such Revocation Order; *provided, however*, that the Bank’s failure or delay in providing each Secured Party with a copy thereof shall not result in any liability to the Bank and shall not affect the Bank’s duty to comply with the terms thereof.

(c) The parties hereto hereby agree and confirm that Hospital District has sole dominion and control over the Government Deposit Account and all funds held therein and each party other than Hospital District hereby disclaims any right of any nature whatsoever to control or otherwise direct or make any claims against the funds held, from time to time, in the Government Deposit Account, except as otherwise provided herein or if and as applicable law shall change.

(d) As used herein, “**Control Secured Party**” shall mean First Lien Secured Party until the Resignation Effective Time. For the purposes hereof, the “**Resignation Effective Time**” shall be the opening of business on the first Business Day next succeeding the Business Day on which a notice purporting to be signed by the First Lien Secured Party notifies Bank in writing in substantially the same form as Exhibit B, attached hereto, with a copy of this Agreement attached

thereto (a “**Resignation Notice**”), is actually received by the unit of Bank to whom the notice is required hereunder to be addressed. On and after the Resignation Effective Time, the term “Control Secured Party” shall mean Second Lien Secured Party and Bank shall cease honoring instructions from the First Lien Secured Party and begin honoring the instructions of the Second Lien Secured Party pursuant to this Agreement. Bank and/or any affiliate may (at its discretion and without any obligation to do so) cease honoring First Lien Secured Party’s instructions and/or commence honoring solely Second Lien Secured Party’s instructions concerning the Accounts at any time after it receives a Resignation Notice but prior to the Resignation Effective Time. As of the Resignation Effective Time, the First Lien Secured Party will no longer be a Secured Party under this Agreement.

4. *Security Interest.*

(a) The Hospital District has granted to each Secured Party a security interest in all amounts from time to time on deposit in the Government Deposit Account (except solely for QIPP Funds) pursuant to the terms and provisions of the respective Security Agreement. The parties hereto agree that this Agreement constitutes an “authenticated record” for purposes of Section 9-104(a)(2) of the Illinois Uniform Commercial Code (the “UCC”) and is being entered into to provide instructions for the Government Deposit Account.

(b) The Hospital District represents and warrants to the Secured Parties and Bank, which representations and warranties shall survive the execution and delivery of this Agreement, that it has not assigned or granted a security interest in the Government Deposit Account or any cash, moneys and other property on deposit therein from time to time therein except to Secured Parties. The Hospital District will not permit the Government Deposit Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Secured Parties’ security interest referred to herein.

5. *Duties.* Hospital District and the Secured Parties agree that: (i) Bank has no duty to monitor the balance of the Accounts; (ii) Bank is hereby authorized to honor any instructions with respect to the Government Deposit Account (including a Revocation Order) from Hospital District (without obtaining the consent of Secured Parties); (iii) Bank is hereby authorized to, without further inquiry, rely on and act in accordance with any instructions it receives from (or which purport to be from) Hospital District (with respect to the Government Deposit Account) and Bank shall have no liability to the Secured Parties, Hospital District or any other person or entity in relying on and acting in accordance with any such instructions; (iv) Bank shall have no responsibility to inquire as to the form, execution, sufficiency or validity of any notice or instructions received by it pursuant hereto, nor to inquire as to the identity, authority or rights of the person or persons executing or delivering the same; and (v) the Bank shall have two (2) Business Days within which to act in accordance with any notice or instructions from Hospital District with respect to the Government Deposit Account. Notwithstanding the foregoing, Hospital District hereby instructs Bank not to make any withdrawals from the Government Deposit Account other than those set forth in Section 3(b) above.

(b) Notwithstanding anything to the contrary contained in this Agreement, upon receipt of written notice of the filing or commencement of any bankruptcy, receivership, insolvency,

reorganization, dissolution or liquidation proceedings by or against the Hospital District (a “**Bankruptcy Filing**”), the Bank shall immediately cease all transfers of funds pursuant to this Agreement to anyone other than Control Secured Party. Upon receipt by the Bank of an appropriate order from a court of competent jurisdiction, the Bank shall thereafter resume any transfer of funds pursuant to this Agreement.

6. *Electronic Signatures.* A signature hereto sent or delivered by facsimile or other electronic transmission shall be as legally binding and enforceable as a signed original for all purposes.

7. *Information.* Hospital District shall, and Bank is hereby authorized to, provide to each Secured Party view access to the Government Deposit Account and all activity with respect thereto and provide, to the extent reasonably requested by such Secured Party, (orally, in writing, electronically or otherwise) balance and transaction information regarding the Government Deposit Account, including, without limitation, daily activity in the Government Deposit Account and copies of periodic account statements, and Hospital District agrees to pay all expenses and fees in connection therewith.

8. *Exculpation; Indemnity.*

(a) The Bank undertakes to perform only such duties as are expressly set forth herein. Notwithstanding any other provisions of this Agreement, the parties hereby agree that Bank shall not be liable for any action taken by it or any of its directors, officers, agents, employees, affiliates, successors and assigns in accordance with this Agreement, including, without limitation, any action so taken at Control Secured Party’s request, except direct damages attributable to the Bank’s own gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction. In no event shall Bank be liable for any (i) losses or delays resulting from acts of God, war, terrorism, force majeure, computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Bank’s reasonable control, (ii) for any other damages, including, without limitation, indirect, special, punitive or consequential damages or (iii) any losses or damages to any third-party as a result of any actions taken or omitted by the Bank in accordance with this Agreement.

(b) To the extent allowed by law, Hospital District agrees to indemnify and hold Bank harmless from and against all costs, damages, claims, judgments, reasonable attorneys’ fees (whether in-house or outside counsel), expenses, obligations and liabilities of every kind and nature (collectively, “**Losses**”) which Bank may incur, sustain or be required to pay (other than those solely attributable to Bank’s gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction) in connection with or arising out of this Agreement, the Accounts, and to pay to Bank on demand the amount of all such Losses. Nothing in this Agreement, and no indemnification of Bank under this Section 8, shall affect in any way the indemnification obligations of Hospital District to Secured Parties contained in any other agreement. The provisions of this Section 8 shall survive termination of this Agreement. Notwithstanding anything contained to the contrary in this Section 8, the (a) Secured Parties shall have no obligation to indemnify Bank against any Losses, and (b) in the event the United States

Department of Housing and Urban Development (“HUD”) becomes a party to this Agreement, no obligation to indemnify Bank shall apply to HUD.

9. *Charges.* (a) In consideration of the services of Bank in establishing, maintaining, and conducting transactions through the Accounts, Bank has established, and Hospital District hereby agrees to pay, Bank’s usual, customary and reasonable fees and other charges for the Accounts (collectively, “**Account Charges**”) together with any and all other expenses incurred by Bank in connection with this Agreement or the Accounts, including, without limitation, the reasonable legal fees of the Bank, including the fees of Bank’s internal counsel, of every kind and nature, paid or incurred by Bank in enforcing its rights and remedies under this Agreement, or in connection with defending any defense, cause or action, claim, counterclaim, set-off or cross-claim based on any act or omission by the Bank with respect to this Agreement or the Accounts (collectively, with the Account Charges, the “**Charges**”).

(b) In connection with the payment of the Charges in any month, Bank will charge the Disbursement Account. If the balance in the Disbursement Account is not sufficient to cover such fees, Hospital District shall pay the amount of such shortfall upon demand by the Bank.

(c) Bank reserves the right to change any or all of the fees and charges according to annual review, upon not less than ten (10) days written notice to Hospital District and each Secured Party, provided that all such fees must be the Bank’s usual, customary and reasonable fees.

10. *Chargebacks.* (a) All items deposited in, and electronic funds transfers credited to, the Accounts and then returned unpaid or returned (or not finally settled) for any reason (collectively, “**Chargebacks**”) will be handled in the following manner:

(i) Any item which is returned because of insufficient or uncollected funds or otherwise dishonored for any reason will be charged back to the Government Deposit Account.

(ii) Any returns, reversals or Chargebacks relating to electronic funds transfers or deposits into the Government Deposit Account will be charged back to the Government Deposit Account.

(b) The Bank will use reasonable efforts to notify Hospital District of any and all Chargebacks which have been charged back to the Government Deposit Account by reporting the return of such items (or electronic funds transfers) to the persons identified in, or as otherwise designated pursuant to, Section 16 hereof. The returned item will be sent to Hospital District along with a debit advice. Control Secured Party will also receive a copy of each such returned item and the debit advice.

(c) If there are insufficient funds in the Disbursement Account to cover such Chargebacks, and Hospital District otherwise fails to pay to the Bank the amount of such Chargebacks within two (2) Business Days following demand by the Bank, the Bank may then debit the Government Deposit Account, in the case of items deposited into the Government Deposit Account, for the amount of such Chargebacks.

11. *Irrevocable Agreement.* Hospital District acknowledges that the agreements made by it and the authorizations granted by it herein, other than those contained in Section 3, are irrevocable and that the authorizations granted in Sections 3 and 4 are powers coupled with an interest.

12. *Set-off.* The Bank waives all of its existing and future rights of set-off and banker's liens against the Accounts and all items (and proceeds thereof) that come into possession of Bank in connection with the Accounts, except those rights of set-off and banker's liens arising in connection with (a) any charges, fees, expenses, payments and other amounts for which Hospital District is responsible to Bank (including, without limitation, any of the foregoing with respect to cash management services provided by Bank to Hospital District, including, but not limited to, funds transfer (origination or receipt), trade, lockbox, commercial card, investment, disbursement, reconciliation, stop payment, positive pay, automatic investment, imaging, and information services), (b) Chargebacks, (c) Charges, and (d) amounts owed to Bank pursuant to Section 8 hereof.

13. *Partial Subordination of Bank's Rights.* Bank hereby subordinates to the security interest of Secured Parties in the funds in the Government Deposit Account (i) any security interest which Bank may have or acquire in the Government Deposit Account and the funds therein, and (ii) any right which Bank may have or acquire to set off or otherwise apply any funds in the Government Deposit Account against the payment of any indebtedness from time to time owing to Bank from Hospital District except for debits to the Government Deposit Account permitted under this Agreement for the payment of Chargebacks or Account Charges.

14. *Miscellaneous.* This Agreement is binding upon the parties hereto and their respective successors and permitted assigns (including any trustee of Hospital District appointed or elected in any action under the Bankruptcy Code) and shall inure to their respective benefit. Hospital District shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of Bank and each Secured Party. Bank shall not be entitled to assign or delegate any of its rights or duties hereunder without first obtaining the express prior written consent of each Secured Party and Hospital District. Each Secured Party may assign its rights or duties under this Agreement by written notice to Bank and the Hospital District and such assignment shall be effective as to the Hospital District and Bank upon written notice to same. Neither this Agreement nor any provision hereof may be changed, amended, modified or waived, except by an instrument in writing signed by all of the parties hereto. Any provision of this Agreement that may prove unenforceable under any law or regulation shall not affect the validity of any other provision hereof. This Agreement may be executed in any number of counterparts which together shall constitute one and the same instrument. The Government Deposit Account is not subject to any control agreements, and this Agreement shall supersede any deposit account control agreement or deposit agreement (or similar agreement) with respect to the Government Deposit Account.

15. *Termination.* The Hospital District may terminate this Agreement upon not less than thirty (30) days prior written notice to each Secured Party and Bank. Bank may terminate this Agreement for any reason upon thirty (30) calendar days' prior written notice to the Hospital District and each Secured Party. Bank may terminate this Agreement at any time upon five (5)

calendar days' written notice to the Hospital District and each Secured Party if (i) either the Hospital District or a Secured Party breaches any of the terms of this Agreement or any other agreement with Bank or (ii) Bank receives from the Hospital District a copy of any written notice from each Secured Party to the Hospital District that all of the Hospital District's obligations to each Secured Party have been satisfied. This Agreement may be terminated by (i) both Secured Parties acting together, or by (ii) Second Lien Secured Party acting as Control Secured Party, in each case, upon fifteen (15) days' prior written notice to Bank.

16. *Notices.* Any notice or other communication required or permitted under this Agreement shall be in writing and personally delivered, mailed by registered or certified U.S. mail (return receipt requested and postage prepaid), sent by telecopier or other electronic transmission (with a confirming copy sent by regular mail), or sent by prepaid nationally recognized overnight courier service, and addressed to the relevant party at its address set forth below, or at such other address as such party may, by written notice, designate as its address for purposes of notice under this Agreement:

(a) If to the First Lien Secured Party, at:

CIBC BANK USA
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Peter J. Kane, Managing Director,
Adam D. Panos, Managing Director and Michael Velazquez,
Managing Director;
Telephone No. (312) 564-1224 / (312) 564-3952
Facsimile No. (312) 564-6889
Email: peter.kane@cibc.com, adam.panos@cibc.com,
and michael.velazquez@cibc.com

With a copy to:

Duane Morris LLP
190 South LaSalle Street, Suite 3700
Chicago, Illinois 60603
Attention: Brian P. Kerwin, Esq.
Telephone No. (312) 499-6737
Facsimile No. (312) 499-6701;
Email: BPKerwin@duanemorris.com

(b) If to Second Lien Secured Party, at:

[MERCHANTS BANK OF INDIANA](#)
[410 Monon Blvd. 4th Floor](#)
[Carmel, Indiana 46032](#)

Attn: 

Deleted: ORIX Real Estate Capital, LLC¶
65 East State Street, 16th Floor¶
Columbus, OH 43215¶

Deleted: Loan Servicing

Telephone No.: ()
Facsimile No.: ()

Deleted: 614) 224-8800

Deleted: 614) 224-8805

With copies to:

Attn:
Telephone: ()

Deleted: Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C.¶
633 Chestnut St., Suite 1900 ¶
Chattanooga, TN 37450¶

Deleted: James H. Levine

Deleted: 423) 209-4133

(c) If to Bank, at:

Allegiance Bank
55 IH 10 North
Beaumont, Texas 77707
Attn: Mr. Steve Lucas
Telephone: 409-861-5001
Facsimile: 409-866-0115
Email: steve.lucas@Allegiancebank.com

With a copy to:

Allegiance Bank
8847 W Sam Houston Pkwy N
Suite 200
Houston, Texas 77040
Attn: Legal Department
Facsimile: 281-894-0019
Email: legal@allegiancebank.com

(d) If to Hospital District, at:

Winnie-Stowell Hospital District,
P.O. Box 1997
Winnie, Texas 77665
Attention: Board Chairman
Telephone No.: 409-296-1003
Facsimile No.: 409-833-9182
Email: Sherrie@wshd-tx.com

With a copy to:

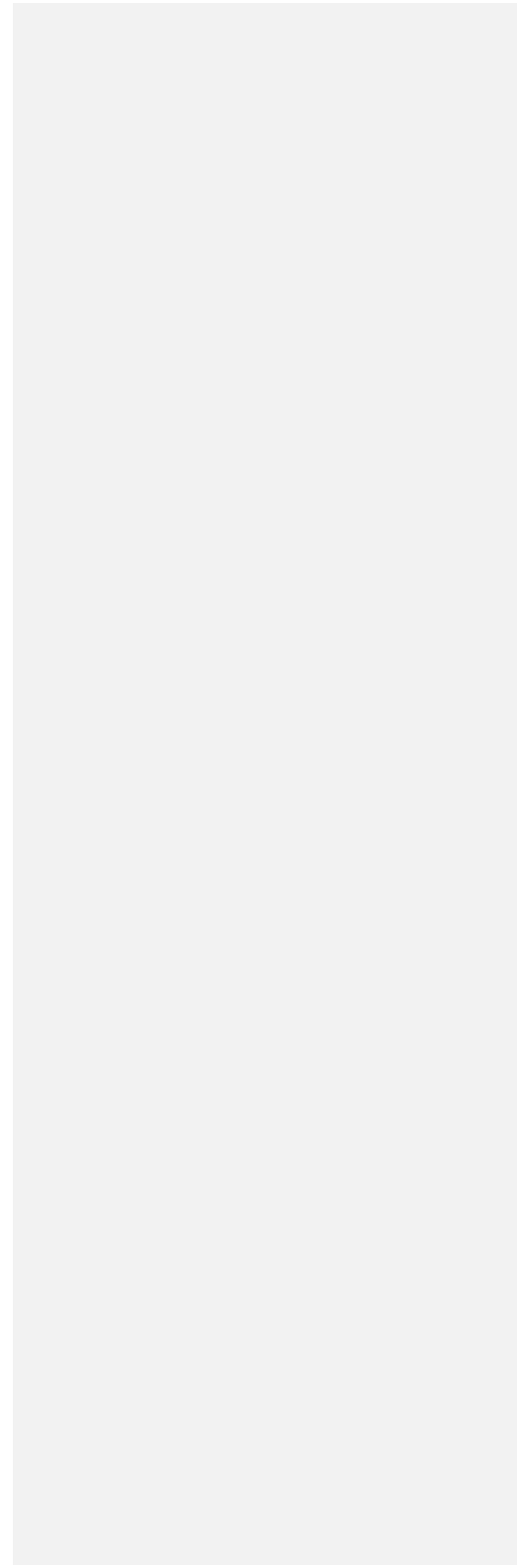
Hubert Oxford, IV
Benckenstein & Oxford, LLP
3535 Calder, Suite 300
Beaumont, Texas 77706
Telephone: 409-951-4721
Facsimile: 409-833-8819

Email: hoxfordiv@benoxford.com

If mailed, notice shall be deemed to be given three (3) days after being sent, and if sent by personal delivery, telecopier or other electronic transmission or prepaid courier, notice shall be deemed to be given when delivered. If any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender unless expressly set forth in such notice.

17. *Governing Law.* This Agreement shall be construed in all respects in accordance with, and enforced and governed by the laws of the State of Texas, without regard to conflicts of law principles. Venue shall be in Chambers County, Texas.

[Signature Pages Follow]

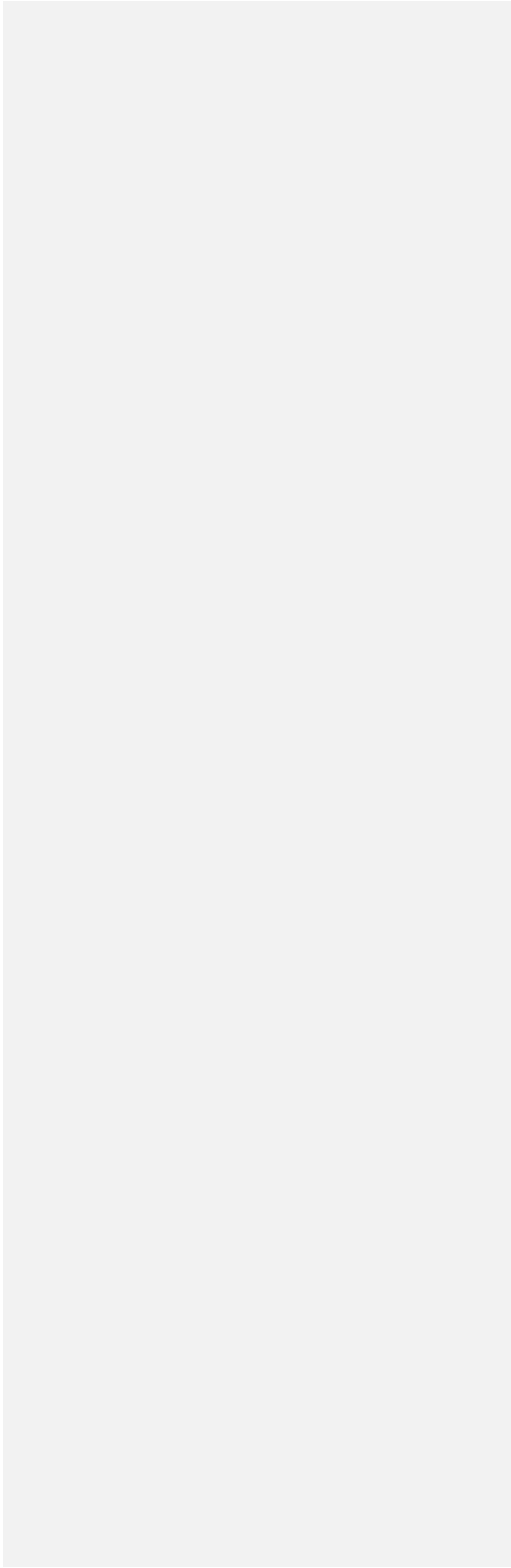


IN WITNESS WHEREOF, this Deposit Account Instructions and Service Agreement has been executed and delivered by each of the parties hereto by a duly authorized officer of each such party on the date first set forth above.

HOSPITAL DISTRICT:

WINNIE-STOWELL HOSPITAL DISTRICT, a governmental entity and political subdivision of the State of Texas organized pursuant to Tex. Const. Art. IX, § 9 and Chapter 286 of the Health and Safety Code, as amended

By: _____
Name: Edward Murrell
Title: President



FIRST LIEN SECURED PARTY:

CIBC BANK USA

By: _____
Name: Michael Velazquez
Its: Managing Director

SECOND LIEN SECURED PARTY:

MERCHANTS BANK OF INDIANA _____

By: _____
Name:
Its:

Deleted: ORIX REAL ESTATE CAPITAL, LLC

ACCEPTED AND AGREED:

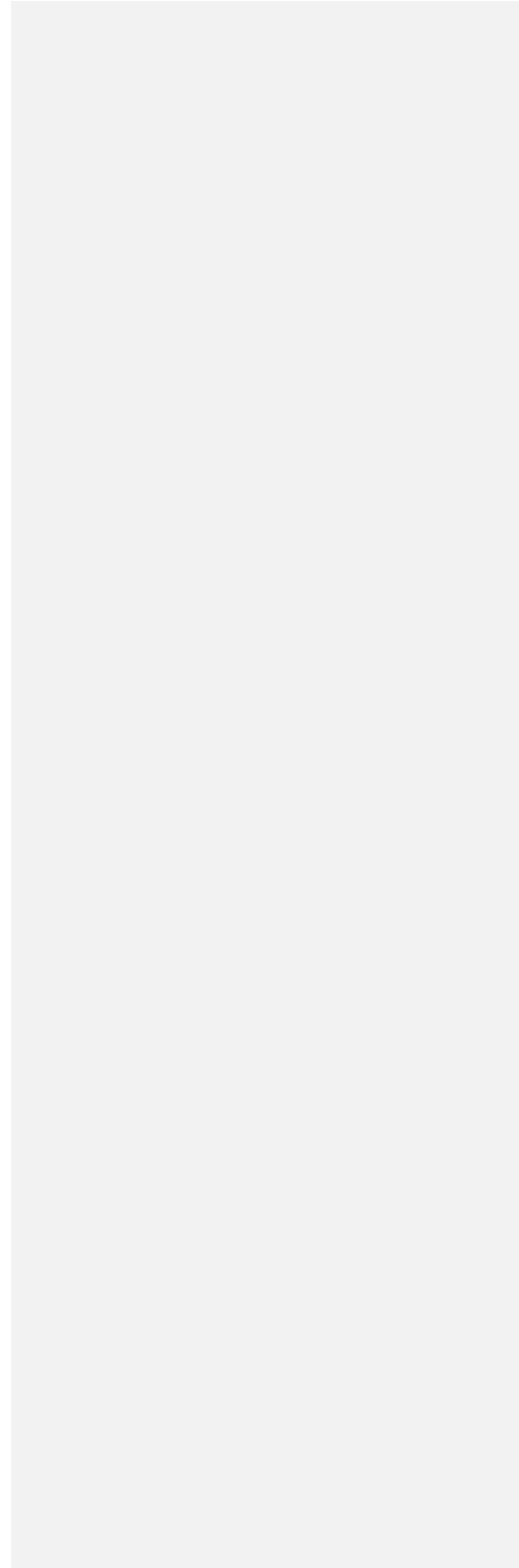
BANK:

ALLEGIANCE BANK

By: _____

Name: _____

Title: _____



For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby unconditionally and irrevocably agree that they shall jointly and severally promptly deposit unrestricted and immediately available funds (in an amount equal to any amounts debited, set off or otherwise deducted in excess of \$20,000 per Government Deposit Account per month) into the applicable Disbursement Account or Government Deposit Account if for any reason the Bank debits, sets off or otherwise deducts either or both of such Accounts at any time and from time to time pursuant to Sections 8, 9, 10 or 12 of the foregoing Deposit Account Instructions and Service Agreement:

[HMG PARK MANOR OF DEERBROOK, LLC](#)
[HMG PARK MANOR OF SOUTHBELT, LLC](#)
[HMG PARK MANOR OF TOMBALL, LLC](#)
[HMG PARK MANOR OF THE WOODLANDS, LLC](#)

Deleted: FRIENDSWOOD TRS, LLC

Name: Laurence C. Daspit
Its: Chief Financial Officer

Exhibit A

	<u>Hospital District Name</u>	<u>Name of Account</u>	<u>Government Deposit Account</u>	<u>Disbursement Account</u>
1	Winnie-Stowell Hospital District	Park Manor of <u>Deerbrook</u>		
2	<u>Winnie-Stowell Hospital District</u>	<u>Park Manor of Southbelt</u>		
3	<u>Winnie-Stowell Hospital District</u>	<u>Park Manor of Tomball</u>		
4	<u>Winnie-Stowell Hospital District</u>	<u>Park Manor of The Woodlands</u>		

Deleted: 1078948

Deleted: 1078930

Deleted: Friendswood

EXHIBIT B
RESIGNATION NOTICE

Date: _____

Address: _____

Attention: _____

Re: Deposit Account Instruction Services Agreement dated as of [____], 2020 (the "**Agreement**"), by and among the Company signatory thereto, **CIBC BANK USA**, an Illinois banking corporation (the "**First Lien Secured Party**"), **MERCHANTS BANK OF INDIANA**, (the "**Second Lien Secured Party**") and **CIBC BANK USA**, an Illinois banking corporation (the "**Bank**") relating to the accounts listed on Exhibit A to the Agreement.

Formatted: Font: Bold
Deleted: **ORIX REAL ESTATE CAPITAL, LLC**, a Delaware limited liability company

Ladies and Gentlemen:

The First Lien Secured Party notifies Bank that it shall cease to be a party hereto or a "Secured Party" hereunder (and that any requirement hereunder requiring notice to or the consent of First Lien Secured Party shall instead be deemed to require notice to or the consent of Second Lien Secured Party). This constitutes a Resignation Notice as referred to in paragraph 3(d) of the Agreement, a copy of which is attached hereto.

CIBC BANK USA, an Illinois banking corporation,
in its capacity as First Lien Secured Party

By: _____