



November 30, 2015

VIA FEDERAL EXPRESS

Judge Samuel L. Neal, Jr.
Nueces County Judge
901 Leopard Street, Room 303
Corpus Christi, Texas 78401

and

Mr. Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401

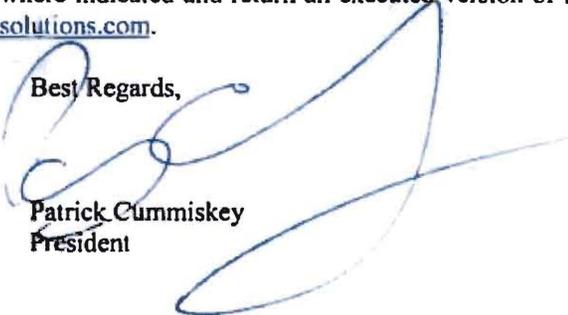
RE: Health Services Agreement

Judge Neal and Mr. Hipp:

Correct Care Solutions, Nueces County, and Nueces County Hospital District (each a "Party" and collectively, the "Parties") intend to enter into an Agreement substantially similar in form to the Health Services Agreement attached hereto as Exhibit 1 (the "Draft Agreement"). The Parties anticipate that the Agreement will be formally approved and executed on December 2, 2015. Beginning on December 1, 2015 at 12:01 a.m. and until such formal approval and execution, the Parties agree to abide by terms of the Draft Agreement, for the services to be performed, indemnification, and compensation to be paid.

If Nueces County and Nueces County Hospital District agree with the above, please have an authorized representative sign below where indicated and return an executed version of this letter to my attention at pcummiskey@correctcaresolutions.com.

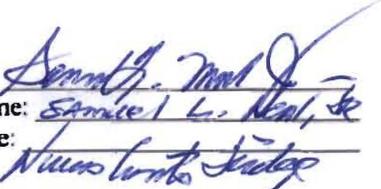
Best Regards,


Patrick Cummiskey
President

AGREED TO BY:

Nueces County, Texas

Nueces County Hospital District

By: 
Name: Samuel L. Neal, Jr.
Title: Nueces County Judge

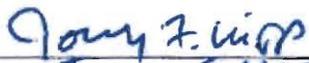
By: 
Name: Jonny F. Hipp
Title: Administrator/CEO

EXHIBIT 1

**HEALTH SERVICES AGREEMENT
NUECES COUNTY CORRECTIONAL FACILITIES**

THIS AGREEMENT by and between NUECES COUNTY, a political subdivision of the State of Texas (hereinafter referred to as the "County"), the NUECES COUNTY HOSPITAL DISTRICT, a political subdivision of the State of Texas (hereinafter referred to as "Hospital District") and CORRECT CARE SOLUTIONS, LLC a Kansas limited liability company, (hereinafter referred to as "CCS"), is entered into and effective as of the 1st day of December, 2015 and shall continue for a period of three (3) years until November 30, 2018 with two (2) potential one (1)-year extensions, in accordance with Article 7.1 herein.

WHEREAS, the County owns and operates Nueces County Jail Facilities (hereinafter referred to as "Facilities") comprised of the County Jail (hereinafter referred to as "Jail") located at 901 Leopard Street and the McKenzie Annex Jail (hereinafter referred to as "Annex") located at 745 North Padre Island Drive, both units situated in Corpus Christi, Nueces County, Texas; and

WHEREAS, the County and the Nueces County Sheriff (hereinafter referred to as "County Sheriff") have the obligation to provide for the health, safety, and welfare of all inmates incarcerated at the Facilities; and

WHEREAS, the Hospital District has certain obligations to provide medical and hospital care to eligible indigent Nueces County residents and those eligible Nueces County indigents who are incarcerated at the Facilities; and

WHEREAS, the objective of the County is to provide for the delivery of quality health care to all inmates at the Facilities in accordance with applicable law; and

WHEREAS, the County issued a Request for Proposals styled "RFP No. 2993-15:Medical Services for Inmates at the Jail Facilities and Residents at the Juvenile Center" which solicited proposals for the provision of inmate medical services at the Facilities and resident services at the NCJJC (hereinafter referred to as "RFP"); CCS submitted a responsible proposal in response to the RFP; and the County selected CCS's proposal for award of this Agreement; and

WHEREAS, CCS is in the business of providing correctional health care services and desires to provide such services for the County under the terms and conditions hereof.

NOW, THEREFORE, in consideration of the covenants and promises hereinafter made, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1: HEALTH CARE SERVICES

1.1 General Engagement. The County hereby contracts with CCS to provide for the delivery of reasonable and necessary medical, mental health, nursing, dental care, and related supporting

services covered under the terms of this Agreement to all inmates at the Facilities, including Work Release Inmates, in the custody of the County Sheriff, even if under the jurisdiction of other authority, such as U.S. Marshals Service, U.S. Immigration and Customs Enforcement, Texas Department of Criminal Justice or other agencies, counties and municipalities, and to provide for the medical and mental screening of all persons brought to the Facilities for booking. No services will be provided to the Nueces County Juvenile Justice Center at this time.

1.2 Scope of General Services. The responsibility of CCS to deliver reasonably necessary health care services to an inmate commences with the physical placement of an inmate into the Facilities, which is considered the official booking. CCS shall provide health care services for all inmates, including Work Release Inmates. CCS shall provide, twenty four (24) hours a day, seven (7) days a week, at full staffing, all professional medical, dental, mental health, and nursing, allied health, administrative, and support services in accordance with Appendix A. CCS's services shall include but are not limited to (i) intake medical and mental health assessments, health care services for chronic, infirmity, and sick call care, routine and preventive care, including health assessments, and acute and emergency care; (ii) laboratory, radiology, pharmacy, physical therapy, and other supporting ancillary services and supplies; (iii) other related non-ancillary support services; and (iv) related technical and administrative services for all inmates under the custody and control of the County Sheriff at the Facilities, including "Trivett Order" as set out in County's Request to Proposers No. 2993-15 (herein "RFP No. 2993-15").

CCS shall provide the services specified herein, which shall constitute reasonable health care services in accordance with the standards and/or requirements promulgated by (i) the National Commission on Correctional Health Care relating to health services in jails (hereinafter referred to as the "NCCHC"); (ii) the American Correctional Association relating to health services (hereinafter referred to as the "ACA"), and (iii) Texas Administrative Code Title 37, Part 9, Chapter 273, (the Texas Commission on Jail Standards related to health services) and any other applicable state and federal statutes, including any other applicable Order of a Court.

1.3 Incorporation of CCS Proposal and Request for Proposal Documents. Except as otherwise agreed herein, the health services to be provided by CCS under the terms of this Agreement shall be those (i) required under Article IV of RFP No. 2993-15, which such Article is attached hereto as Appendix B and hereby is incorporated herein by reference as if set out word for word herein, and (ii) submitted in the CCS response to RFP No. 2993-15, which includes Addendum No. 1, Addendum No. 2, Addendum No. 3, and Addendum No. 4 of RFP No. 2993-15, and which is herein incorporated by reference as if set out word for word herein. Information identified by CCS in their Proposal Response as proprietary and confidential is specifically excluded. Except as otherwise agreed herein, the health care services to be provided by CCS under this Agreement shall be delivered in accordance with CCS's RFP proposal.

1.4 CCS Staffing. CCS shall provide weekly staffing at the Facilities in accordance with the staffing matrix attached hereto as Appendix A.

1.5 Responsibility for Off-Site Medical Care. Off-site specialty clinics, ambulance transportation (including emergency ambulance transportation), off-site radiology services, emergency room visits, hospitalization (including physician charges) and any other services provided by licensed medical professionals (as further specified in Appendix A) (hereinafter

referred to as “Off-Site Medical Care”) which are not provided on-site at the Facilities shall be arranged for by CCS but not paid for by CCS unless otherwise indicated. Except for emergency ambulance transportation, CCS shall arrange all other Off-Site Medical Care with the Hospital District’s indigent health care contractor, Christus Spohn Health System Corporation. Emergency ambulance transportation shall be the financial responsibility of CCS and the financial responsibility for all other Offsite Medical Care shall be governed by the terms of the Hospital District’s indigent care agreement with Christus Spohn Health System Corporation but shall not be the financial responsibility of CCS. Any Off-Site Medical care not arranged with Christus Spohn Health System Corporation shall be the sole financial responsibility of CCS.

1.6 Responsibility for On-Site Medical Care. The particular on-site services to be provided by CCS under terms of this Agreement shall be those services described in their RFP proposal which is described in Article 1.3. CCS shall provide the on-site medical, mental health, and dental care and treatment services in the quantity, type, manner, and using the methods described in its RFP proposal and the related staffing matrix in Appendix A. On-site medical care to be provided by CCS under terms of this Agreement shall also include medically necessary overnight infirmary care provided within the Facilities’ health care units. On-site medical, mental health, and dental services and related technical and support personnel shall be the financial responsibility of CCS. CCS shall maintain a liaison, coordinate, and arrange any related off-site inmate health care services with the Hospital District’s indigent health care provider, Christus Spohn Health System Corporation. Any related off-site inmate health care services not arranged with Christus Spohn Health System Corporation shall be the sole financial responsibility of CCS.

For any on-site health care services not described above or in CCS’s RFP proposal, CCS, in conjunction with the County and Hospital District, shall determine and then specify which additional on-site health care services is/are appropriate.

CCS agrees to administer tuberculosis (TB) and human immunodeficiency virus (HIV) screening tests to County Sheriff’s staff as determined by the County Sheriff or his designee. CCS shall purchase the medical supplies and other items, including the TB serum, necessary to perform such screenings, but such costs shall pass through to the County so that the County will reimburse CCS for all such costs on a quarterly basis. At the end of each calendar quarter, CCS shall submit to the County an invoice for all medical supplies and items, including the TB serum, purchased for the TB and HIV screenings, and the County shall pay such undisputed invoice within thirty (30) days of the invoice date. [Need to discuss procedure for disputing invoice and requirement to resolve in good faith].

1.7 Pharmaceutical Services. CCS shall provide on-site pharmaceutical and related services within the Facilities in accordance with its RFP proposal. In addition to the RFP proposal, it is agreed CCS may (i) implement and shall enforce its own drug formulary, as submitted in the proposal, within the Facilities; (ii) obtain human immunodeficiency virus (hereinafter referred to as “HIV”) medications for inmates in the Facilities through available Texas Department of State Health Services programs, including the Texas HIV Medication Program and the Texas HIV State Pharmacy Assistance Program (collectively hereinafter referred to as “THMP”) or other public sources, other than the County and the Hospital District; and (iii) coordinate and pursue applications for THMP assistance from inmates of the Facilities. In the event inmate HIV

medications are not available through the THMP or other public sources other than the County and Hospital District inmate HIV medications shall be the financial responsibility of CCS.

1.8 Exceptions to Treatment. CCS will not be responsible for any medical testing or obtaining samples which are forensic in nature, except as required by local, state, or federal statute or regulation or by Court Order. Revisions of applicable statute or regulation pertaining to medical testing or obtaining samples, which are forensic in nature, which occur during the term of this Agreement, will be considered a further obligation of CCS; however, if such revisions result in increased cost to CCS, the County shall reimburse CCS for those increased costs. CCS agrees to provide the County information sufficient to evaluate the scope and necessity of any forensic medical testing and obtaining samples and the associated cost.

CCS will not be responsible for costs associated with the transportation or security of inmates for off-site non-emergency health care treatment. CCS will provide qualified emergency ambulance transportation services when medically necessary in connection with off-site emergency medical treatment. CCS will not be financially responsible for costs associated with transplants, factor 8 blood products, and experimental procedures. CCS will not be financially responsible for any costs incurred after an inmate is released from the County's custody. CCS will not be responsible for the provision of elective medical care to inmates. For purposes of this Agreement, "elective medical care" means medical care which, if not provided, would not in the opinion of CCS's Medical Director cause the inmate's health to deteriorate or cause definite harm to the inmate's well-being and specifically includes sex or gender reassignment surgeries.

1.9 Change in Standard of Care or Scope of Services. The price in Article 8, below, reflects the scope of services as finally agreed upon by the parties to this Agreement. Should any new treatments, community standards of care, drug classes or diagnostic tests be mandated by community health care standards, or should County request a change in the scope of services, and CCS's complying with these changes results in an increase in cost to CCS, coverage of costs related to such changes are not covered in this Agreement and the parties agree to negotiate the price of any increased cost. Prior to such negotiation, CCS agrees to provide the County and Hospital District information sufficient to evaluate the scope and necessity of and any increase in cost.

ARTICLE 2: PERSONNEL

2.1 Incorporation of CCS Proposal. Except as otherwise agreed herein, the personnel to be provided by CCS under the terms of this Agreement shall be those described in their RFP proposal which is described in Article 1.3. All personnel and related personnel licensure, certification and registration required to be provided under the terms of this Agreement by CCS shall be delivered in accordance with this RFP proposal submitted by CCS which is described in Article 1.3. Notwithstanding the foregoing, CCS may change its personnel named in its RFP Proposal at any time without the consent of the County so long as all persons performing services under this Agreement are licensed, certified or registered in accordance with applicable law.

2.2 Provision of Personnel. CCS shall provide medical, dental, mental health, nursing, technical and support personnel as necessary for the rendering of health care services to inmates

at the Facilities as described in CCS's RFP proposal, staffing summary attached hereto as Appendix A and as required by this Agreement.

- A. This staffing pattern as described in Appendix A shall be required under this Agreement. Should the County add new locations or services to those covered under this Agreement which result in staffing cost increases to CCS, CCS shall receive additional compensation from the County, to be negotiated between the parties in good faith.
- B. CCS shall retain as many current health care personnel working at the Facilities as practicable to remain on the job and to help maintain continuity and consistency of the services required by this Agreement. The County shall allow CCS to conduct on-site interviews with current personnel who are Napcare employees.

2.3 Licensure, Certification and Registration of Personnel. CCS ensures that all personnel provided or made available by CCS to render services hereunder shall be licensed, certified or registered, as appropriate, in their respective areas of expertise as required by applicable law. If requested by the County, CCS shall provide to the appropriate, designated officer or department a copy of the license, certificate or registration of personnel employed by CCS.

2.4 County's Satisfaction with HealthCare Personnel. If County should become dissatisfied with any health care personnel provided by CCS, County will give written notice to CCS of its reasons for dissatisfaction, except as noted in Article 2.4(A), below. CCS agrees to cooperate with the County Sheriff and respond to inquiries or complaints about its personnel, including lack thereof, or contractors in a timely manner, should the County Sheriff have security or other concerns about CCS's employee's and/or contractors' fitness or ability to perform at the Facilities. CCS will exercise its best efforts to resolve the problem or other concerns, including lack of personnel. And, if the problem involving fitness or ability is not resolved, CCS will remove the individual according to CCS's personnel policy or independent contractor agreement.

- A. All CCS personnel, subcontractors, and agents shall meet minimum standards as determined by the County prior to receiving a security clearance to enter the Facilities. If, at any time during the course of their employment or contract engagement, any CCS employee or subcontractor engages in conduct (either on or off duty) which threatens the security of the Facilities or would otherwise render that person ineligible for a security clearance, notwithstanding any other provision of this Agreement, County reserves the right to withdraw that person's security clearance and shall immediately notify CCS.
- B. CCS shall consult with the County regarding initial and continued assignment of staff and subcontractors. All persons employed by CCS or its subcontractors shall not be deemed to be the employees of County by reason of any provision of this Agreement.
- C. CCS shall continuously maintain personnel files (or copies thereof) of all employees assigned to the Facilities.

2.5 Use of Inmates in the Provision of Health Care Services. Inmates will not be employed or otherwise engaged in the direct rendering of any health care services.

2.6 Subcontracting and Delegation. In order to satisfy its obligations hereunder, CCS will engage certain health care professionals as independent contractors rather than as employees, and County expressly consents to such subcontracting or delegation within the limits specified in Article 2.4(A) above. As the relationship between CCS and these health care professionals will be that of independent contractor, CCS will not be considered or deemed to be engaged in the practice of medicine or other profession's practices by these professionals, and CCS will not exercise control over the manner or means by which these independent contractors perform their professional duties. However, these professional independent contractors shall provide professional insurance as required and specified in Article 9 of this Agreement or CCS shall maintain professional insurance on their behalf. CCS shall provide a copy to the County upon request. Further, any actions/omissions of these independent contractors are still subject to indemnification by CCS as described in Article 9.3 herein.

2.7 Discrimination. During the performance of this Agreement, the Hospital District, the County, CCS, their employees, agents, subcontractors, and assignees agree as follows:

- A. No one will discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. Each will agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- B. All solicitations or advertisements for employees will state that CCS is an equal opportunity employer.
- C. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Article.

ARTICLE 3: ACCREDITATION

3.1 Use of Accreditation Standards. As represented in its RFP proposal, CCS agrees to operate and maintain health care systems at the Facilities that meet the accreditation standards of the NCCHC and relevant accreditation standards of the ACA.

3.2 NCCHC Accreditation. CCS agrees to cooperate with the County in the event the County seeks NCCHC accreditation at the Facilities, and CCS shall bear the costs and expenses of obtaining and maintaining the NCCHC accreditation, if any, during the remainder of the term of this Agreement and any extensions thereof.

3.3 ACA Accreditation. In the event the County pursues ACA accreditation of the Facilities, CCS agrees to affirmatively support and actively participate in the County's pursuit of such accreditation with respect to the ACA medical services standards. However, CCS shall in no way be responsible for any costs or expenses related to ACA accreditation.

ARTICLE 4: REPORTS AND RECORDS

4.1— [Medical Records]. CCS shall maintain complete and accurate medical records for each inmate who receives health care services from CCS. Each medical record will be maintained in accordance with applicable laws, NCCHC standards, and ACA standards if the County acquires ACA accreditation. The medical records belong to the County, and CCS shall be custodian of these records during the term of this Agreement. Notwithstanding the ownership of the medical records by the County, CCS shall not share, and no person in the County shall review, these medical records if it would constitute a violation of any applicable law. The medical records shall be kept separate from the inmate's confinement records. A complete legible electronic copy or paper copy of the applicable medical record shall be available at all times. Medical records shall be kept confidential. At the termination or expiration of this Agreement, such electronic medical records and any paper copies in existence at the termination or expiration of this Agreement shall remain delivered to the County, and CCS shall cooperate with the County or the County's designee new inmate health care services provider at the Facilities in the transfer of such medical records, in electronic format and paper copies and remain with the County's designee. However, the County or the County's designee provider shall, within the limits of applicable law, provide CCS with reasonable ongoing access to all medical records even after the termination of this Agreement for the purposes of defending claims and litigation. [BH1]

4.2 HIPAA and HITECH Compliance. The parties shall comply with all requirements of the Federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Health Information and Technology for Economic and Clinical Health Act (HITECH Act) as applicable, which relate to the parties' responsibilities under this Agreement. CCS will require subcontractors to comply with requirements of HIPAA and HITECH Act.

4.3 Regular Reports by CCS to the County. CCS shall provide to the County, on a date and in a form mutually acceptable to CCS and the County, monthly and annual reports relating to care and services rendered under this Agreement. Such reports shall be submitted on a regular, periodic, or on an as-requested basis, to be determined by the mutual agreement of CCS and the County.

4.4 Inmate Information. Subject to the applicable federal and state laws, in order to assist CCS in providing the best possible health care services to inmates, the County will provide CCS with information pertaining to inmates that CCS and the County mutually identify as reasonable and necessary for CCS to adequately perform its obligations hereunder, which shall include allowing CCS access to the Facilities' inmate information management system as it relates to pertinent information that may assist CCS in rendering necessary medical, mental health and/or dental care to inmates housed within the Facilities. The County will cooperate with CCS to the extent permitted under applicable federal and state law to provide inmate information to CCS for a reasonable time after termination of this Agreement when requested by CCS in connection with the investigation of, or defense of, any claim by a third party related to CCS's conduct as jail medical provider. CCS shall reimburse the County for actual costs incurred in the provision of information.

4.5 CCS Records Available to the County with Limitations on Disclosure. Subject to Article 4.1 and 4.2, CCS shall make available to the County, at the County's request and at no cost, all records, documents and other papers relating to the direct delivery of health care services to

inmates hereunder if the delivery of health care services to an inmate is an issue in any claim or litigation by or against the County, CCS, Christus Spohn Health System Corporation, or their agents, contractors, or employees. The County understands that many of the systems, methods, procedures, written materials, computer programs and other controls employed by CCS in the performance of its obligations hereunder are proprietary in nature and will remain the property of CCS. During the term of this Agreement and after its termination, information and/or documentation concerning this proprietary material may not be used, distributed, copied, or otherwise utilized by the County except as required by law, including but not limited to the Texas Public Information Act.

4.6 County's Records Available to CCS with Limitations on Disclosure. During the term of this Agreement, and for a reasonable time thereafter, the County will provide CCS, at CCS's request, the County's records relating to the provision of health care services to inmates as may be reasonably requested by CCS or as are pertinent to the investigation or defense of any claim related to CCS's conduct and performance. Consistent with applicable law, the County will make available to CCS such records as are maintained by the County, hospitals and other outside health care providers involved in the care or treatment of inmates, to the extent the County has any control over those records, as CCS may reasonably request. Any such information provided by the County to CCS that the County considers confidential shall be kept confidential by CCS and shall not, except as may be required by law, be distributed to any third party without the prior written approval of the County.

ARTICLE 5: SECURITY

5.1 General. CCS and the County understand the importance of security services to the safety of the agents, employees and subcontractors of CCS as well as for the security of inmates and the County's staff, consistent with the correctional setting. Accordingly, both the County and CCS will cooperate with each other in addressing security issues. The County will use reasonable efforts to provide sufficient security to enable CCS and its personnel to safely and adequately provide the health care services described in this Agreement, however, nothing herein shall be construed to make the County, its deputies or employees a guarantor of the safety of CCS's employees, agents or subcontractors, including their employees.

5.2 Security Override. In the event that CCS recommends health care services for any inmate or CCS recommends that an inmate be sent off-site for medical services, the County and/or the County Sheriff will not interfere or override CCS's health care recommendations.

5.3 Security During Transportation Off-Site. The County will provide security in connection with the transportation of any inmate between the Facilities and any other location for off-site services.

ARTICLE 6: OFFICE SPACE, EQUIPMENT, INVENTORY AND SUPPLIES

6.1 General. The County agrees to provide CCS with office space, facilities, equipment (to the extent specified in Request for Proposal), and utilities at the Facilities sufficient to enable CCS to perform its obligations pursuant to this Agreement. County shall be responsible for providing substitute space, if reasonably available and necessary, should CCS recommend that the designated

facilities are inadequate for the purposes hereof or that the designated medical facilities become unsafe for any reason.

6.2 Delivery of Possession. The County will provide to CCS, beginning on the date of commencement of this Agreement, possession and control of all supplies, medical equipment, and office equipment in place at the Facilities health care unit which are the County's or Hospital District's property or in the possession of the County or Hospital District. At the termination of this Agreement, CCS will return to the County or Hospital District possession and control of all medical equipment and office equipment, in working order, reasonable wear and tear excepted, which were in place at the Facilities' health care unit prior to the commencement of services under this Agreement. Any equipment purchased under the Agreement shall be the property of the party who purchased the equipment, and equipment owned by the County or the Hospital District shall remain on-site at the termination of the Agreement, and any equipment or other property purchased or owned by CCS may be removed by CCS upon termination of the Agreement (including any policies and procedures) subject to County and/or Hospital District's right to purchase from CCS as described below. All supplies purchased for the performance of the Agreement shall be the property of the County and shall remain on-site at the termination of the Agreement.

6.3 Equipment. CCS will be responsible for the cost of new and/or replacement equipment. CCS will be responsible for ongoing repair and maintenance of all medical and office equipment provided and owned by the County or the Hospital District for use by CCS under this Agreement.

6.4 Right to Purchase. Ninety (90) days prior to expiration/termination of the Agreement CCS will provide County and Hospital District a list of all CCS owned equipment at Facilities. County and/or Hospital District will have the right, but not obligation, to purchase such equipment from CCS at its fair market value.

6.5 General Maintenance Services. The County will provide for each inmate receiving health care services the same services and facilities provided by the County for all inmates at the Facilities including, but not limited to, daily housekeeping services, dietary services, building maintenance services, personal hygiene supplies and services, and linen supplies.

6.6 Damaged Equipment. CCS shall not be liable for loss of or damage to equipment and supplies if such loss or damage was caused by the sole negligence of the County or Hospital District employees, and CCS shall not have to pay for the repair or replacement of the same.

ARTICLE 7: TERM AND TERMINATION OF AGREEMENT

7.1 Term. This Agreement shall commence at 12:00 A.M. on December 1, 2015. The initial term of this Agreement shall be for three (3) years, ending at 11:59 P.M. on November 30, 2018, with an option for two (2) additional one (1)-year terms, which may only be exercised upon mutual agreement of the parties.

7.2 Termination. Notwithstanding the provisions of Article 7.1, this Agreement may be sooner terminated on the first to occur of the following:

- A. Termination for Default. The County shall give notice to CCS that CCS has materially defaulted in the performance of any of its obligations hereunder and such default shall not

have been cured within thirty (30) days following the giving of such notice in writing, the party giving notice shall have the right to immediately terminate this Agreement.

- B. Termination Without Cause. CCS may terminate this Agreement without cause by providing not less than ninety (90) days prior written notice to the County and the Hospital District. The County and the Hospital District may terminate this Agreement without cause by providing not less than ninety (90) days prior written notice to CCS. Notice hereunder shall be provided pursuant to Article 10.3 of this Agreement.

7.3 Responsibility for Inmate Health Care. Upon termination or expiration of this Agreement, all responsibilities of CCS hereunder shall immediately cease and become null and void.

7.4 Continuity of Services.

- A. Upon termination of this Agreement, CCS agrees to (a) furnish phase-in training and (b) exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor inmate health care services provider at the Facilities.
- B. CCS shall, upon termination notice, negotiate in good faith a plan with a successor inmate health care services provider at the Facilities to determine the nature and extent of phase-in, phase-out services required. The plan shall specify a date for work described in the plan, and shall be subject to the applicable Jail Administrator's approval. CCS shall provide sufficient experienced personnel during the phase-in, phase-out period to ensure that the services under this Agreement are maintained at the required level of proficiency.
- C. CCS shall allow as many personnel as practicable to remain on the job to help the successor inmate health care services provider at the Facilities maintain the continuity and consistency of the services required by this Agreement, and CCS shall continue to receive compensation for the same at the same rates as prior to the involvement of the successor inmate health care services provider at the Facilities. CCS also shall, if permitted by applicable law, disclose necessary personnel records and allow the successor to conduct on-site interviews with those employees. If selected employees are agreeable to the change, then CCS shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor, and upon such transfer date, CCS shall have no further obligations or liability with respect to the transferred employees.
- D. CCS shall agree to extend this Agreement on a month-to-month basis until phase in/phase out is completed and shall be compensated for the same at the most recent monthly rate in effect prior to the month-to-month extension.
- E. Nothing herein shall be construed as to require CCS to indemnify, defend, or hold harmless the successor inmate health care services provider at the Facilities for any training, transition matters, or the acts or omissions of CCS, its officers, employees, or personnel.

7.5 Payment for Services Performed. In the event that this Agreement is terminated for any reason, the Hospital District agrees to pay CCS for services actually performed through the date of termination.

ARTICLE 8: COMPENSATION

8.1 Compensation. The Hospital District shall pay CCS the following annual base price for all years in equal monthly installments upon services rendered as indicated below following approval below:

- Initial Three-Year Agreement Term (three [3] years beginning December 1, 2015 through November 30, 2018): \$9,547,446 to be paid in equal monthly installments of \$265,206.83.
- Optional Year Four Term (one [1] year beginning December 1, 2018 and ending November 30, 2019): \$3,339,556 to be paid in equal monthly installments of \$278,296.33.
- Optional Year Five Term (one [1] year beginning December 1, 2019 and ending November 30, 2020): \$3,504,484 to be paid in equal monthly installments of \$292,040.33.

At the end of each month during the term of this Agreement, CCS shall submit a written invoice to the County Sheriff or his designee after the services required by this Agreement are provided for approval of payment. The County Sheriff or his designee shall review the invoice against the services required under this Agreement and forward the approved invoice to the Hospital District for approval and payment within five (5) calendar days of the invoice date. The Hospital District shall pay CCS within thirty (30) calendar days of the invoice date with payment sent via the United States Postal Service to the address provided by CCS on the invoice. If the County Sheriff or Hospital District determines that payment for specific services are disputed, the undisputed portion of the invoice shall be approved for payment. The parties shall attempt to resolve the disputed portions of the invoice within ten (10) calendar days.

- A. In the event that the County and/or Hospital District fails to make any undisputed payment to CCS hereunder within ten (10) calendar days following CCS's written notice to the County and Hospital District of non-payment pursuant to Article 10.3 of this Agreement, CCS may seek recovery of said funds pursuant to any available remedy at law or in equity, including termination of this Agreement.
- B. In the event that CCS terminates this Agreement due to the County and/or Hospital District's non-payment as described in Article 8.1, the County and/or Hospital District will be responsible for the pro-rated monthly payment of any services actually provided up to and including the date of termination.

8.2 Changes in the Law. If any statute, rule or regulation is passed, or any order issued, or any statute or guideline adopted or interpretation made, or additional facilities opened, that materially changes the scope of services or increases the cost to CCS of providing health care services hereunder, CCS and the County agree to negotiate additional compensation to be paid by the Hospital District to CCS as a result of such changes. Prior to negotiation, CCS agrees to provide the County and Hospital District information sufficient to evaluate the scope and necessity of and any increase in cost. If the parties are unable to agree on appropriate compensation, either party may terminate this Agreement immediately by written notice to the other parties.

ARTICLE 9: LIABILITY AND RISK MANAGEMENT

9.1 Insurance. CCS shall purchase and maintain in force at all times during the term of this Agreement, insurance with limits not less than indicated below. The County and Hospital District are to be named as an additional insureds in the policies, except for workers' compensation coverage, and a waiver of subrogation shall be provided to the County and Hospital District for all policies. Certificates of the coverage outlined below shall be available to County or Hospital District upon request.

- A. Commercial General Liability Insurance: The minimum acceptable limits of liability insurance to be provided by such general liability insurance shall be as follows:
- Bodily Injury/Property Damage Insurance with limits of \$1,000,000 for each occurrence and a \$3,000,000 general aggregate.
- B. Professional Liability Insurance: The minimum acceptable limits of liability to be provided by such professional liability insurance shall be as follows:
- \$1,000,000 per medical incident
 - \$3,000,000 per annual aggregate per physician/dentist or other contractor insured
 - \$5,000,000 per annual aggregate for corporate ancillary personnel
- C. Automobile Liability Insurance:
- Bodily Injury/Property Damage
Per Occurrence: \$1,000,000
- D. Umbrella (excess liability policy) or additional limits on foregoing risks:
- \$1,000,000.
- E. Workers Compensation Insurance:
- Employer's Liability Coverage Limit: \$1,000,000
 - The provisions of Article XXII of RFP No. 2993-15 attached hereto as Appendix C hereby is incorporated by reference as if each word were included herein.

9.2 [Performance Bond]^[BH2]. CCS shall provide the County with a performance bond equal to one-hundred percent (100%) of the annual base price as forth herein: for the term of the Agreement. New bonds will be required for each renewal (if any) in one (1) year increments, not to exceed two (2) additional years past the initial term. Such performance bond must be written by a Texas Licensed company, or companies.]

9.3 **COUNTY INDEMNITY**. CCS AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE COUNTY THE HOSPITAL DISTRICT, AND THEIR AGENTS, OFFICERS AND EMPLOYEES, FROM AND AGAINST ALL SUITS, ACTIONS OR OTHER CLAIMS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY FEES, FOR BODILY INJURY, INCLUDING DEATH, AND PROPERTY LOSS OR DAMAGE ARISING OUT OF ANY WRONGFUL ACT, NEGLIGENCE, OR OMISSION OF CCS, ITS AGENTS, EMPLOYEES OR SUBCONTRACTORS, REGARDLESS OF WHETHER SUCH SUIT, ACTION OR CLAIM IS INSTITUTED BY A THIRD PARTY

OR AN EMPLOYEE, AGENT OR SUBCONTRACTOR OF CCS. CCS WILL HAVE NO OBLIGATION TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE COUNTY, THE HOSPITAL DISTRICT, OR THEIR AGENTS, OFFICERS AND EMPLOYEES FOR ANY SUIT, ACTION OR OTHER CLAIM ARISING OUT OF ANY WRONGFUL ACT, NEGLIGENCE, OR OMISSION OF THE COUNTY, THE HOSPITAL DISTRICT, OR THEIR AGENTS, EMPLOYEES OR SUBCONTRACTORS. CCS'S OBLIGATIONS PURSUANT TO THIS PROVISION WILL NOT APPLY TO ANY CLAIM, LIABILITY, COST OR EXPENSE INCURRED IN CONNECTION WITH TREATMENT OF ANY INMATE'S INJURY IF SUCH TREATMENT OCCURRED PRIOR TO THE INMATE'S CUSTODY BY THE COUNTY OR AT ANY TIME THE INMATE WAS OUTSIDE THE COUNTY'S CUSTODY. CCS'S OBLIGATIONS PURSUANT TO THIS PROVISION WILL NOT APPLY TO ANY CLAIM, LIABILITY, COST OR EXPENSE TO THE EXTENT CAUSED BY THE ACTS OR OMISSIONS OF ANY OF THE COUNTY OR HOSPITAL DISTRICT'S OFFICERS, AGENTS, OR EMPLOYEES WHICH PREVENT AN INMATE FROM RECEIVING MEDICAL CARE AS DIRECTED BY CCS. THE COUNTY OR HOSPITAL DISTRICT SHALL PROMPTLY NOTIFY CCS OF ANY INCIDENT, ACCIDENT, CLAIM OR LAWSUIT OF WHICH THE COUNTY OR HOSPITAL DISTRICT BECOMES AWARE THAT DOES OR MAY POTENTIALLY INVOLVE CCS, AND SHALL FULLY COOPERATE IN THE DEFENSE OF SUCH CLAIM. CCS MAY RETAIN SOLE CONTROL OF THE DEFENSE WHILE THE ACTION IS PENDING SHOULD IT SO CHOOSE. THIS PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

9.4 CCS INDEMNITY. COUNTY AND HOSPITAL DISTRICT AGREE, TO THE EXTENT PERMITTED BY LAW WITHOUT ESTABLISHING A SINKING FUND, TO INDEMNIFY, DEFEND AND HOLD HARMLESS CCS AND ANY OF ITS AGENTS, OFFICERS, SUBCONTRACTORS AND EMPLOYEES, FROM AND AGAINST ALL SUITS, ACTIONS OR OTHER CLAIMS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY FEES, FOR BODILY INJURY, INCLUDING DEATH, AND PROPERTY LOSS OR DAMAGE ARISING OUT OF ANY WRONGFUL ACT, NEGLIGENCE, OR OMISSION BY THE COUNTY, THE HOSPITAL DISTRICT OR THEIR OFFICERS, EMPLOYEES OR AGENTS, REGARDLESS OF WHETHER SUCH SUIT, ACTION OR CLAIM IS INSTITUTED BY A THIRD PARTY OR AN EMPLOYEE, OFFICER, AGENT OR SUBCONTRACTOR OF THE COUNTY OR THE HOSPITAL DISTRICT. THIS PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT. CCS SHALL PROMPTLY NOTIFY THE COUNTY OR HOSPITAL DISTRICT OF ANY INCIDENT, ACCIDENT, CLAIM OR LAWSUIT OF WHICH CCS BECOMES AWARE THAT DOES OR MAY POTENTIALLY INVOLVE THE COUNTY AND/OR HOSPITAL DISTRICT, AND SHALL FULLY COOPERATE IN THE DEFENSE OF SUCH CLAIM. COUNTY AND/OR THE HOSPITAL DISTRICT MAY RETAIN SOLE CONTROL OF THE DEFENSE WHILE THE ACTION IS PENDING SHOULD IT SO CHOOSE. THIS PROVISION SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

10. MISCELLANEOUS

10.1 Independent Contractor Status. The parties acknowledge that CCS is an independent contractor and no employee or agent of CCS shall be deemed for any reason to be an employee or agent of the County. Nothing in this Agreement is intended, nor shall be construed to create, an agency relationship, an employer/employee relationship, or a joint venture relationship among the parties.

10.2 Assignment and Subcontracting. Except as provided in Article 2.6, CCS shall not assign this Agreement, except to an affiliate of CCS or a successor to substantially all of its assets, or any of its rights or obligations under this Agreement, without the express written consent of the County, which consent shall not be withheld provided the assignee is a qualified provider of services such as those to be provided hereunder and shall have equal or more financial resources than CCS. Any such assignment or subcontract shall include all of the obligations contained in this Agreement. The parties hereby agree that various independent contractors serving as medical providers will be utilized in carrying out the obligations contained in this Agreement.

10.3 Notice. Unless otherwise provided herein, all notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand or sent by certified mail, return receipt requested, postage prepaid, and addressed to the appropriate party at the following address or to any other person at any other address as may be designated in writing by the parties:

CCS:	Patrick Cummiskey President Correct Care Solutions 1283 Murfreesboro Road, Suite 500 Nashville, TN 37217
With a copy to:	Chief Legal Officer Correct Care Solutions 1283 Murfreesboro Road, Suite 500 Nashville, TN 37217
County:	Samuel L. Neal, Jr. Nueces County Judge 901 Leopard Street, Room 303 Corpus Christi, Texas 78401
With a copy to:	Jim Kaelin, Sheriff Nueces County Sheriff's Office 901 Leopard Street Corpus Christi, Texas 78401
Hospital District:	Jonny F. Hipp Administrator/Chief Executive Officer Nueces County Hospital District 555 N. Carancahua Street, Suite 950 Corpus Christi, Texas 78401

Notices shall be effective upon receipt.

10.4 Governing Law and Venue. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas. Any litigation filed against the County by CCS shall be brought in a State Court in Nueces County, Texas and/or in the United States District Courts in the Southern District of Texas, Corpus Christi Division.

10.5 Amendment. This Agreement may be amended or revised if approved by authorized parties, only in writing, and signed by all parties to this Agreement.

10.6 Waiver of Breach. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

10.7 Other Contracts and Third-Party Beneficiaries. The parties agree that they have not entered into this Agreement for the benefit of any third person or persons, and it is their express intention that the Agreement is intended to be for their respective benefit only and not for the benefit of any non-party who might otherwise claim to be deemed to constitute a third-party beneficiary hereof.

10.8 Severability. In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of the Agreement, which shall remain in full force and effect.

10.9 Force Majeure. Neither party shall be held responsible for any delay or failure in performance, other than payment obligations and provision of medical, mental health, dental, and nursing services, to the extent that such delay or failure is caused by fire, riot, flood, explosion, war, strike, embargo, government regulation, civil or military authority, or act of God. All parties understand and agree that there are such occurrences, both beyond the control and within the control of the parties, may result in health care expenses which are outside the scope of the normal operation of a correctional facility and, therefore, outside the contemplated scope of services under this Agreement. While all parties will act in good faith and endeavor to reduce the possibility of such occurrences in the unlikely event of an occurrence such as an Act of God, riot, explosion, fire, food poisoning, epidemic illness outbreak or any other catastrophic event, or an event caused by the negligent, reckless, or intentional actions or omissions of the County or their employees, agents or contractors, having catastrophic results and resulting in medical care for the inmates, County staff, visitors, or contractors, CCS shall not be responsible for costs attributable to such catastrophic event.

10.10 Effect of This Agreement. This Agreement, including the attachments, and documents previously incorporated herein as the Proposal and Appendixes, constitutes the complete understanding between the parties with respect to the terms and conditions set forth herein and supersede all previous written or oral agreements and representations. This Agreement may be modified only in a writing that expressly references this Agreement and is executed by all of the parties hereto.

10.11 Survival. The provisions of this Agreement pertaining to the obligation to pay for services rendered pursuant to this Agreement shall survive the termination of this Agreement.

10.12 Electronic Record Management Application (ERMA). CCS will provide its proprietary electronic medical records software system ("software") commonly referred to as "ERMA" for use in the Facilities. CCS will also implement online pharmaceutical ordering and administration through eRx and eMAR modules of ERMA. CCS shall maintain ownership of this software and the County shall be entitled to quantitative and select information as required by the County. At the termination or expiration of this Agreement, CCS shall remove the software. CCS shall provide the County with a complete set of printable medical records contained by the software for each inmate in a PDF format, in addition to a dump of relevant medical records data in a mutually agreeable format. CCS and the County may negotiate a mutually agreeable fee to continue the ongoing use of the ERMA system after termination of this Agreement.

During the term of the Agreement, County shall keep this software and all information pertaining to it confidential at all times. Furthermore, the County agrees that it will not:

- (i) Lease, loan, resell, sublicense or otherwise distribute the software to parties who are not Nueces County governmental entities;
- (ii) Permit third-party access to, or use of, the software, except as permitted in within this Agreement;
- (iii) Create derivative works based on the software;
- (iv) Reverse engineer, disassemble, or decompile the software; or
- (v) Remove any identification or notices contained on the software.

The County and/or Facilities will notify CCS in the event either party becomes aware of any unauthorized third-party access to, or use of, the software.

CCS shall be responsible for providing a firewall, maintenance, backup data, virus corruption, and licenses for this software.

10.13 Discharge Medications. CCS will provide the InMEDRx service which allows discharged inmates access to a 30-day supply of medications upon release. The prescription may be filled at any pharmacy. CCS will provide a prescription card for all inmates in need of discharge medications, including those in need of psychotropic medications. When the prescription is filled, CCS will absorb the costs. This shall be CCS's sole responsibility with respect to discharge medications.

10.14 Enforcement. In the event any party incurs legal expenses or costs to enforce the terms of this Agreement, each party shall be responsible for its own costs.

10.15 Compliance with Laws. The parties hereto expressly acknowledge that it has been, and continues to be, their intent to comply fully with all federal, state and local laws, Court Orders,

rules, and regulations. In the event of any legislative or regulatory change or determination, whether federal or state, that has or would have a significant adverse impact on either party thereto in connection with the performance of its obligations, or should any party be deemed for any reason to be in violation of any statute or regulation arising from this Agreement, this Agreement shall be renegotiated to comply with the applicable provisions of then current law.

10.16 Drug-Free Work Place. CCS shall provide any and all notices as may be required under the Drug-Free Workplace Act of 1988, 28 CFR Part 67, Subpart F, to its employees and all subcontractors to insure that the County maintains a drug-free workplace.

10.17 Gratuities. CCS shall not offer County employees benefits, gifts, or favors. Failure to honor this policy may result in the termination of this Agreement.

10.18 Confidentiality. It is understood that in the course of the engagement established under this Agreement, each party may learn of or obtain copies of confidential or proprietary software, systems, manuals, documents, protocols, procedures, or other materials developed by or belonging to the other party, and not generally available to the public (hereinafter referred to as "Confidential Information"). All Confidential Information shall be and remain the property of the party originally having ownership thereof. Neither party will, without the express written consent of the other party, use the Confidential Information of the other party, except as expressly contemplated by this Agreement, and the receiving party shall cease all use of the other party's Confidential Information upon the termination or expiration of this Agreement. Except as required by law or legal process, each party shall maintain the confidentiality of the Confidential Information provided hereunder, and shall not disclose such information to third parties. This provision shall survive the termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in their official capacities with legal authority to do so.

CORRECT CARE SOLUTIONS

By: Jorge Dominicis
Its: CEO

Signature

NUECES COUNTY

By: Samuel L. Neal, Jr.
Its: Nueces County Judge

Signature

NUECES COUNTY HOSPITAL DISTRICT

By: Jonny F. Hipp
Its: Administrator/Chief Executive Officer

Signature

**APPENDIX A
STAFFING MATRIX**

APPENDIX B
ARTICLE IV OF RFP No. 2993-15

APPENDIX C
ARTICLE XXII OF RFP NO. 2993-15