

**AMENDMENT NO. 1  
TO  
NUECES COUNTY HOSPITAL DISTRICT  
ADMINISTRATOR EMPLOYMENT AGREEMENT  
October 1, 2014 – September 30, 2018**

This Amendment No. 1 (“Amendment No. 1”) to the Nueces County Hospital District Administrator Employment Agreement October 1, 2014 – September 30, 2018 entered on August 19, 2014 and made effective October 1, 2014 (the “Agreement”) is made by and between the Board of Managers of the Nueces County Hospital District, a political subdivision of the State of Texas (the “Board”) and Jonny F. Hipp, the person appointed by the Board to be the Administrator (the “Administrator”) and amends the Agreement.

**RECITALS**

**WHEREAS**, the parties entered into the Agreement to set forth the terms of the Administrator’s employment by the Board and pursuant to certain amendment provisions of the Agreement, the parties now desire to amend the Agreement to: (1) clarify the term “controllable expense” as described in Attachment “A” relating to goal achievement pay provided in Paragraph 3 relating to compensation; and (2) include an additional employee retirement plan option void of employer contributions in Paragraph 4 relating to benefits; and

**WHEREAS**, the parties desire that the terms of the Agreement not amended herein shall remain unchanged.

**NOW, THEREFORE**, in consideration of the premises and the undertakings herein contained relating to the Agreement, the parties hereby agree as follows:

1. The parties intended that unbudgeted, uncontrollable, extraordinary, and unanticipated expenses were to be excluded from the definition of “controllable expenses” in determining reasonable achievement of the Performance Goal(s) set forth in Attachment “A” of the Agreement. To clarify the term “controllable expense” and to properly direct classification of expenses, the asterisked (\*) sentence shown in Attachment “A” is amended to read as follows:

“\*For purposes of this Agreement and this Attachment “A,” the term “controllable expenses” shall mean total expenses for the identified fiscal year, less unbudgeted, uncontrollable, extraordinary, and unanticipated expenses which may include those expenses listed below:”.

**[THIS SPACE INTENTIONALLY LEFT BLANK]**

2. The parties agree that an employee retirement plan option void of employer matching contributions should be additionally available in the Agreement. Paragraph 4 is amended as follows:
  - a. Paragraph 4(c) is amended by deleting the last sentence in the Paragraph which removes the words, “In consideration of this Retirement Contribution provided by the District, the Administrator agrees he will not participate in the District’s IRC, Section 403(b) Tax-Sheltered Annuity Plan.”
  - b. Paragraph 4(h) is added to read as follows:
 

**“Participation in 403(b) Tax-Sheltered Annuity Plan.** The Hospital District agrees the Administrator may participate in the District’s 403(b) Tax-Sheltered Annuity Plan, except that he shall not be eligible to receive any 403(b) Plan-related employer matching contributions considering the Retirement Contribution deposit in Paragraph 4(c).”
3. The terms of the Agreement not amended herein shall remain unchanged.

**IN WITNESS WHEREOF**, the parties hereto hereby execute this Amendment No. 1 to the Agreement as of the \_\_\_\_\_ day of September 2015.

**NUECES COUNTY HOSPITAL DISTRICT  
BOARD OF MANAGERS  
("NCHD")**

By: \_\_\_\_\_  
Van Huseman, Chairman  
Board of Managers

**JONNY F. HIPPI**  
("Administrator")

By: \_\_\_\_\_  
Jonny F. Hipp