

MANAGEMENT SERVICES AGREEMENT

Carrus Healthcare, LLC.
Clinton Hospital Authority

This MANAGEMENT SERVICES AGREEMENT (“Agreement”) made and entered into as of November 1, 2022 (“Effective Date”) by and between Carrus Healthcare, LLC, a Texas Limited Liability Company, or one of its subsidiaries, (“**MANAGER**”), Clinton Hospital Authority, an Oklahoma Public Trust (“**TRUST**”) and the Clinton Regional Hospital Governing Board (“**BOARD**”)(collectively with TRUST, the “**AUTHORITY**”).

WITNESSETH:

WHEREAS, TRUST is an Oklahoma public trust established pursuant to the Oklahoma Public Trust Act, 60 O.S. §§ 176 – 180.4, and owns the acute care hospital known as the Clinton Regional Hospital (“Hospital”);

WHEREAS, TRUST through Resolution HA2022-1 authorized BOARD to assist TRUST in overseeing the operation of Hospital; and

WHEREAS, AUTHORITY desires to have MANAGER provide management services to AUTHORITY pursuant to this Agreement.

THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein contained, MANAGER and AUTHORITY agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the meanings assigned below:

“Cost or Costs of Operation” means all costs attributable to the operation of the Hospital, whether direct or indirect, including, without limitation, (i) management fees payable to MANAGER pursuant to Section 4.1 hereof, and (ii) all other expenses incurred in connection with the operation of the Hospital.

“Opening Date” means January 1, 2023.

“Primary Goal” means the goal of MANAGER to:

- (a) Provide quality hospital services;
- (b) Establish and maintain programs to promote the effective utilization of Hospital’s services;
- (c) Establish and maintain an excellent public image of Hospital;
- (d) Establish and maintain quality staffing of Hospital;
- (e) Operate Hospital on a sound financial basis;
- (f) Maintain a sound financial accounting system for Hospital;
- (g) Maintain internal fiscal controls through budgeting procedures in Hospital;
- (h) Enhance revenues from Hospital through sound billing procedures;

- (i) Control the cash position of Hospital through sound collection methods;
- (j) Take such steps as are necessary to provide high quality care to the patients of Hospital;
- (k) Evaluate the need for providers in various specialties and recruit providers for the needed specialties; and
- (l) Enhance Hospital growth through measuring and monitoring net patient revenue and adjusted equivalent admissions.
- (m) "Transition Period" shall mean the period between November 1, 2022 and December 31, 2022.

2. Operating Term, Appointment and Engagement of MANAGER.

2.1. Appointment of MANAGER, Description of Services.

(a) Appointment of MANAGER. AUTHORITY hereby appoints and engages MANAGER as general manager, and MANAGER agrees to act as general manager, to supervise, direct and control the management and operation of the Hospital during the term of this Agreement upon the terms and conditions set forth in this Agreement. MANAGER and AUTHORITY agree that MANAGER has, and at all times while this Agreement remains in full force and effect shall exercise, the control and direction of the assets, operations, and affairs of Hospital, including without limitation, all medical, professional and ethical affairs of Hospital, to the extent permitted under applicable law. The Board of Trustees of AUTHORITY shall retain the authority required by applicable law. Subject to the terms and provisions of this Agreement, MANAGER shall provide to AUTHORITY the services set forth on Exhibit A hereto (the "Programs and Services"). If AUTHORITY requests that MANAGER provide services in addition to those listed on Exhibit A, and MANAGER agrees to provide such additional services, the parties shall document the terms of such additional services, to include any additional cost, in writing signed by both parties, and incorporate herein as an amendment to Exhibit A-Programs and Services. Any additional or modified services shall be provided according to the terms of this Agreement except as otherwise provided in Exhibit A.

(b) Transition Period. During the Transition Period, MANAGER shall undertake all actions necessary and advisable to prepare for the provision of the services set forth in this Agreement and provide the Programs and Services commencing on the Opening Date. MANAGER shall use its best efforts to ensure that Hospital is open and offering such hospital services as may be available to the public as of the Opening Date subject to staffing, facilities, equipment and supplies.

2.2. Term. The term of this Agreement shall commence on the Effective Date and continue thereafter for a period of five (5) years (the "Initial Term"). Following the Initial Term, the term of this Agreement shall be deemed to be automatically extended for successive five (5) year periods unless either party notifies the other in writing no fewer than three hundred 300 days prior to the expiration of the term of their intention not to renew for a successive five-year term.

2.3. Termination. In the event of any termination of this Agreement, MANAGER shall cooperate in all reasonable transition requests of AUTHORITY, including but not limited to inventories of assets, equipment, and supplies and transfer of patient and financial records.

2.4. Termination for Cause.

(a) Non-Financial Default. In the event either party to this Agreement deems the other party to be in material breach of its obligations as contained hereunder, except for AUTHORITY's obligation to compensate Manager pursuant to Section 4 and/or 5, then such party shall be required to provide notice of the alleged default to the other party, which notice shall contain detailed specification of such alleged default. Upon the receipt of such detailed specifications (which shall be deemed to have occurred on the date the specifications were mailed to the party by certified mail, return receipt requested), the party being charged with the default shall have thirty (30) days in which to correct the alleged default or provide appropriate assurances to the charging party that the default will be timely corrected, all to the satisfaction of the charging party in its reasonable discretion, and if such correction or assurances are not provided with such thirty (30) day period, then the charging party may, in its reasonable discretion, terminate this Agreement by providing at least thirty (30) days prior written notice to the party being with the default, subject to the terms of this Section. Any breach of MANAGER'S obligations under this agreement shall be deemed a material breach.

(b) Financial Default. Notwithstanding the provisions of Section 4.1(d), if AUTHORITY fails to make the payments or reimbursements due to MANAGER pursuant to Section 4 and/or Section 5 of this Agreement, then (but only after thirty (30) days prior written notice of such default, which AUTHORITY may cure during that time), MANAGER may terminate this Agreement effective upon notice to AUTHORITY. If AUTHORITY fails to make the payments or reimbursements due to MANAGER, MANAGER shall have the right to retain any amounts due it from the income of the Hospital from the accounts described in Section 5. Failure of MANAGER to make the payments or reimbursements due MANAGER shall only terminate this Agreement at the option of MANAGER.

(c) Termination Due to Destruction or Loss of License. Notwithstanding any other provision of this Agreement to the contrary, either party shall have the right to terminate this Agreement effective upon Notice to the other party in the event (i) a significant portion of the AUTHORITY facilities is destroyed by a natural disaster or condemned for public use; or (ii) AUTHORITY loses any license or permit required for its continued operation, or is terminated as a Medicare and/or Medicaid provider.

2.5. This Agreement shall be reviewed by the parties on or before the end of the first 12 months of its commencement. At that time, the parties agree to enter into good faith negotiations to convert this agreement from a Management Services Agreement to an agreement for MANAGER to assume operations of the Hospital with all Cost or Costs of Operation being assumed by MANAGER and a lease payment being made by Manager to Authority. It is understood by the parties that under such future agreement the MANAGER will be allowed to retain all revenues attributable to the operation of the Hospital and that the License, provider number and all other agreements with both State and Federal authorities shall be assigned by AUTHORITY to MANAGER. If during the term of or upon the termination of this Agreement AUTHORITY determines to enter into a lease, operations or management agreement with any entity other than MANGER, MANAGER shall have the first right of refusal to enter into a similar agreement under similar terms and conditions. The parties agree that if requested by either party the issue of the sale of the facilities in accordance with applicable law, as contemplated by Section 9, may be raised in this review.

2.6. Dispute Resolution upon Termination. In the event this Agreement is terminated by either party, with or without cause, and the amounts owed to or by either party under this Agreement are in dispute, an audit of said amounts shall be conducted by an independent consulting firm agreed to by both parties, which firm's findings shall be deemed final and not subject to further review or appeal. In the event that the parties cannot agree on the firm used or in the event a dispute arises unrelated to the amounts owed to either party under this Agreement, the American Health Lawyers Association or American Arbitration Association shall be engaged to resolve the dispute as mutually agreed to by the parties. Costs associated with the audit or arbitration, as the case may be, shall be split equally by the parties up to a maximum of

\$20,000; any costs over this amount shall be paid by the party whose position is disfavored by the audit or arbitration.

3. Management and Operations.

Consistent with the provisions of this Agreement and to assist MANAGER in meeting its Primary Goal, MANAGER shall supervise and manage day-to-day operation of Hospital on behalf of AUTHORITY which shall include, without limitation, the following as hereinafter set forth in Section 3.

3.1 Management Services, Annual Budget and Business Plan.

(a) General Managerial Responsibilities. MANAGER agrees to assume and discharge all responsibilities in connection with Hospital's proper operation and maintenance in a manner which is customary and usual for the operation and management of similarly-situated acute care hospital facilities, and in accordance with the regulations and standards required of facilities licensed in Oklahoma as general acute care hospitals, including but not limited to the services that Clinton Hospital has traditionally provided: obstetrics, radiology and diagnostic imaging, chemotherapy, physical therapy and rehabilitative services, emergency services, surgical services, respiratory care, stroke care, and laboratory services. MANAGER's management responsibilities shall include those specific managerial responsibilities described in this Section 3.

(b) Annual Budget and Annual Business Plan. On an annual basis, MANAGER shall submit to AUTHORITY a budget no less than sixty (60) days prior to the start of the next fiscal year, for review and approval by AUTHORITY's Board of Trustees: (i) a detailed proposed budget for the next fiscal year of the Hospital ("Annual Budget"), which shall include estimated revenues, operating expenses and capital expenditures for the ensuing fiscal year; and (ii) a plan for organization of the business and services of the Hospital, and a narrative report of MANAGER's major management goals for the ensuing fiscal year for Hospital, in reasonable detail, with reference to the Annual Budget so as to enable AUTHORITY to review and approve MANAGER's intended conduct of the affairs of the Hospital during that period ("Annual Business Plan"). MANAGER may revise the Annual Budget and/or Annual Business Plan from time to time to reflect any unpredicted significant changes, variables or events or to include significant additional unanticipated items of income or expense and as specified in Section 4.1 and Section 5; provided, however, that if any line item on the budget is to be exceeded by more than \$10,000 per line item, MANAGER shall notify AUTHORITY's Board of Trustees in advance of exceeding such line item to allow AUTHORITY's Board of Trustees to review and approve. MANAGER is authorized to make all budgeted expenditures and to take all actions necessary (including but not limited to: repairs, alterations, decorations for the Hospital; implementation of all services; acquisition, leasing or other utilization of equipment; and marketing and planning programs) to carry out the approved business plan and budget, consistent with the objectives of the Annual Budget and Annual Business Plan. MANAGER shall review the Annual Budget and Annual Business Plan after six (6) months of operation of such fiscal year and may at that time revise the Annual Budget and/or Annual Business Plan to reflect any unpredicted significant changes, variables or events or to include significant additional unanticipated items of income or expense, and shall be required to notify AUTHORITY's Board of Trustees at such time. The parties agree that due to the unknown factors in existence at the execution of this agreement no annual budget shall be due until November 1, 2023.

3.2. Appointment and Review of Chief Executive Officer.

(a) MANAGER shall, during the term hereof and beginning on the Opening Date, at MANAGER'S sole expense, employ a qualified person who will serve as the Chief Executive Officer ("CEO") on a full-time basis for the Hospital as reasonably determined by MANAGER. The CEO shall report regularly to the President/CEO of MANAGER (or his or her appointee) and will be accountable to the AUTHORITY's Board of Trustees as required by applicable law. CEO shall attend all regular, special

and emergency meetings of AUTHORITY's Board of Trustees and provide reports to the Board of Trustees regarding the operations of the Hospital. The President/CEO (or his or her appointee) of MANAGER shall meet with the Board of Trustees at least monthly. MANAGER shall determine the amount and nature of and shall be solely responsible for compensation, including salary and employee benefits, of the CEO for all services rendered by him/her in connection with this Agreement.

(b) The MANAGER may change the CEO at its discretion and after discussion with the Board of Trustees of AUTHORITY. AUTHORITY may notify MANAGER of concerns with CEO's performance and submit any formal requests for removal of CEO to MANAGER as deemed appropriate by MANAGER. Costs of severance associated with the replacement of the CEO must be commercially reasonable, and shall be a Cost of Operation payable by AUTHORITY. In the event that the CEO is incapacitated or ceases to be employed, for any reason, an interim chief executive officer shall be provided by MANAGER, at MANAGER'S sole expense. The interim chief executive officer shall be on site at Hospital at least part-time within two (2) weeks of the original CEO's departure. In the event the CEO is incapacitated or ceases employment, for any reason, MANAGER shall make best efforts to recruit a permanent replacement CEO within ninety (90) days.

3.3. Managerial Review, Coordination and Control.

MANAGER shall provide the following operational services for the Hospital:

(a) MANAGER shall arrange for all licensure and certification renewals and state, Medicare, and accreditation survey compliance for the AUTHORITY. MANAGER will ensure that Hospital is complying with all requirements of state and federal laws and regulations governing the operation and Medicare participation of Hospital, including those governing the provision of uncompensated care. MANAGER shall report to the AUTHORITY's Board of Trustees any legal or regulatory noncompliance by Hospital promptly upon discovery of such noncompliance, regardless of the timing of the occurrence of such noncompliance.

(b) MANAGER, at MANAGER's sole expense, shall be responsible to oversee: the collection, receipt and acknowledging receipt, for all services and income of any nature from the operation of the Hospital; and the payment of all expenses incurred by the Hospital from the revenues and/or funds of AUTHORITY.

(c) MANAGER shall notify and allow AUTHORITY the opportunity to provide input regarding the lease or purchase of unbudgeted equipment pursuant to the Hospital's policies and will comply with statutory requirements regarding purchase of all equipment, and for all contracts with any entity owned or managed by MANAGER entered into in Hospital's name on behalf of AUTHORITY which include payment to MANAGER of \$10,000 or more. In the event of an emergency requiring immediate action, specifically for the protection and safety of the building, or to the patients or staff therein, MANAGER shall be entitled to take the necessary action without prior notice. Following such an event a report of the reason for such action, and the action taken, shall be made to the AUTHORITY. Budgeted expenses and capital items are defined as those specifically detailed, listed or set forth in the most recent approved Annual Budget or Annual Business Plan approved by the AUTHORITY's Board of Trustees. During the first 12 months of this agreement, AUTHORITY agrees to meet on as an as needed basis to approve the purchase of equipment or expenditure of greater than \$10,000.00. This includes both special and emergency meetings of the AUTHORITY. MANAGER shall have the right to use its own personnel and resources to provide the services to be provided by MANAGER under this Agreement and the reasonable cost of any such personnel or resources provided by MANAGER in performance of its duties under this Agreement shall be part of the Cost of Operation and billed at the cost incurred by MANAGER.

(d) MANAGER may engage consultants as contemplated by the approved Annual Budget and Annual Business Plan, and as MANAGER deems necessary after consultation with the AUTHORITY. Such consultants shall be a Cost of Operation, even though same may be employed or contracted by MANAGER, and Manager will notify AUTHORITY of the engagement of such consultants. MANAGER shall negotiate and execute such contracts as are reasonably necessary or desirable in connection with the operation of the Hospital in the usual course of business, including the execution of all provider agreements necessary and appropriate to obtain and maintain facility status as a provider of services under the Medicare and Medicaid programs as well as other managed care and third party payor programs which MANAGER deems appropriate and customary. Notwithstanding the provisions of this Section, MANAGER shall not review, supervise the negotiation of, or issue an approval of, any proposed service or provider agreement between AUTHORITY and a managed care company or other third-party payor in which MANAGER or any affiliate of MANAGER has any ownership interest. MANAGER shall notify AUTHORITY when it becomes aware of any such agreement, and AUTHORITY shall arrange to have such agreement reviewed and negotiated by AUTHORITY's personnel or an independent consultant.

(e) MANAGER shall supervise preparation of all federal and state mandated documents, including the provider contracts entered into by AUTHORITY and the state reimbursement agency and the federal reimbursement agency.

(f) MANAGER shall supervise the performance of all acts reasonably necessary in connection with the operation of the Hospital in an efficient and proper manner and generally in accordance with standards and policies established or to be established by MANAGER for the operations of general acute care hospital facilities owned or managed by MANAGER.

(g) MANAGER shall promulgate and implement policies and procedures, medical staff bylaws, rules and regulations and other documents and forms reasonably necessary for the Hospital's operation and as required by state and federal law.

(h) MANAGER, at MANAGER'S sole cost and expense, shall provide Hospital with software and systems for the patient medical record, patient and payor billing, payment of bills and payroll.

3.4. Personnel Services for Which MANAGER Shall be Responsible.

(a) MANAGER will make decisions regarding the selection, terms of employment and termination of employees of the Hospital including the rates of compensation and benefits (which rates and benefits shall be comparable for the like facilities in the area) and the supervision, direction, training and assignment of duties thereof. It is agreed that all employees of the Hospital (with the exception of the CEO who shall be an employee of MANAGER) shall be employees of the Hospital, and support the operation of the Hospital. MANAGER shall have no liability to employees of the Hospital, other than the CEO, for their welfare, salaries, fringe benefits, legally required employer contributions, or tax obligations by virtue of the relationships established under this Agreement. All compensation and related benefits paid or payable to the employees of the Hospital shall be part of the Costs of Operation. In the event Hospital revenues and working capital reserves are insufficient to pay such employee compensation, such compensation shall be a debt of the AUTHORITY, and not of the MANAGER. The cost of professional assistance (including MANAGER personnel other than the CEO) in any wage and salary administration, development and approval of human resource policies and procedures, or administrative or legal appeals of reimbursement rulings or other employee claims shall be a Cost of Operation as it applies Hospital.

(b) MANAGER shall promulgate and implement standard personnel policies and procedures.

(c) MANAGER shall supervise and approve all formal communication to Hospital employees as deemed necessary by MANAGER in the normal course of managing Hospital operations.

(d) MANAGER shall offer continued employment to all employees of the hospital employed as of the Effective Date at or above their current compensation levels with generally equivalent benefits commencing on the Opening Date. Any employee offered continued employment under this Section 3.4(d) shall be subject to future termination for cause or in the event their position is eliminated in any restructuring proposed by MANAGER and approved by the AUTHORITY. Nothing herein shall amend or change state law as to the fact the employees of Hospital are at-will employees.

3.5. Legal, Compliance and Risk Management Services.

(a) MANAGER shall provide legal, compliance and risk management guidance and support to AUTHORITY. Such process may include decisions regarding outsourcing, which shall be paid as Costs of Operation.

(b) AUTHORITY and MANAGER shall obtain and maintain at their own expense and for the duration of this Agreement, the minimum insurance coverages as set forth in Exhibit C, attached hereto and incorporated herein (“Insurance Requirements”). These obligations may be met through self-insurance.

(c) MANAGER may institute, or, in the case suit is filed against AUTHORITY, to defend and/or protect Hospital’s legal rights, with the concurrence of AUTHORITY, in the name of AUTHORITY and Hospital and at the expense of AUTHORITY, any and all necessary legal actions with respect to operations of the Hospital. MANAGER shall select legal counsel, with the approval of AUTHORITY, as is necessary in connection with the management of AUTHORITY and prosecution and/or defense of any claims. Any such costs shall constitute Costs of Operation. Notwithstanding the foregoing, AUTHORITY reserves the right to select and engage its own legal counsel at its own option to defend any claim against or protect any interest of Hospital and/or the AUTHORITY.

3.6. Board Commitment to Ethical and Compliance Standards:

(a) MANAGER will develop an appropriate compliance plan for Hospital and present such compliance plan to the AUTHORITY for approval. The AUTHORITY’s Board of Trustees and MANAGER shall demonstrate their commitment to the highest ethical and compliance standards in all their clinical and business operations by the adoption and implementation of an appropriate compliance plan (the “Plan”). The Plan must include activities to ensure effectiveness consistent with compliance guidance published by the Office of Inspector General (“OIG”). The Plan must include designated staff, policies and procedures, training, reporting process, auditing and monitoring, employees/physician/vendor/board screening against excluded providers, consistent disciplinary measures, and corrective actions. In addition, the Plan will ensure contracts with disqualified persons are reviewed by legal counsel to ensure financial relationships are not prohibited by applicable laws and regulations.

(b) In accordance with the OIG’s guidance, the AUTHORITY’s Board of Trustees will be responsible for oversight of the Plan. MANAGER shall make recommendations in writing to the CEO and the Board of Trustees regarding significant compliance matters, including any matters for which MANAGER recommends that AUTHORITY make a Stark or OIG self-disclosure or voluntary refund to any federal health care program payor. The AUTHORITY’s Board of Trustees must give approval to MANAGER prior to MANAGER submitting any such self-disclosure or voluntary refund on behalf of AUTHORITY. Upon receiving advice from MANAGER’s legal department that a self-disclosure to OIG or CMS is necessary, with validation from external legal counsel selected by MANAGER, and a

presentation to the Board of Trustees of AUTHORITY by CEO and MANAGER's internal legal counsel regarding the reasons for the self-disclosure, should AUTHORITY's Board of Trustees refuse MANAGER's request to file a self-disclosure to OIG or CMS, MANAGER will review the Agreement and may terminate the Agreement if it is determined that such refusal does not align with the mission, vision, and values of MANAGER.

3.7. Financial Services, Books and Records. MANAGER agrees:

(a) To furnish the AUTHORITY within twenty (20) days following the close of the month, unaudited monthly financial statements. The cost of all audited and unaudited financial statements shall be paid as a Cost of Operation.

(b) In the event, and only in the event, that Section 952 of P.L. 96-499 (42 U.S.C. Section 1395x(v)(1)) is applicable to this Agreement, MANAGER agrees as follows: (a) until the expiration of four (4) years after the furnishing of such services pursuant to this Agreement, MANAGER shall make available, upon written request of the Secretary of the U.S. Department of Health and Human Services or upon request of the Comptroller General of the United States, or any of his/her duly authorized representatives, this Agreement and books, documents and records of MANAGER that are necessary to certify the nature of the duties of this Agreement; and (b) if MANAGER performs his/her/its services hereunder through a subcontract with a related organization, with a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, then any such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary of the U.S. Department of Health and Human Services or upon request of the Comptroller General of the United States, or any of its duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of the cost of services provided pursuant to such subcontract.

(c) All books, accounts and records maintained for the operation of the Hospital, including but not limited to the general ledger accounts, shall be property of the AUTHORITY and open for review and audit by AUTHORITY or any accountant selected for said purposes.

(d) To supervise the preparation and filing of all state and federal cost reports necessary for reimbursement; if such work is performed by an independent firm of reimbursement specialists or certified public accountants, then the charges for such work shall be a Cost of Operation.

(e) To supervise and assist in the creation, review and implementation of the Annual Business Plan and the Annual Budget for the Hospital.

(f) To process all payroll checks, including associated reports. The cost of all payroll except for that of the CEOs, except , shall be a Cost of Operation.

4. Compensation of MANAGER For Services Provided.

4.1. Compensation.

(a) Costs of Operation. MANAGER shall provide a monthly itemized accounting to AUTHORITY of all fees and expenses incurred as Costs of Operation. AUTHORITY shall reimburse MANAGER for all Costs of Operation within 30 days of receipt of the monthly itemized accounting from MANAGER.

(b) Management Fee.

- (i) The MANAGER will be paid a management fee during the term of this Agreement. The Management Fee is separate from any payments by AUTHORITY to MANAGER as reimbursement of any Costs of Operation. As full and exclusive compensation for all of the services to be rendered by MANAGER during the term of this Agreement, AUTHORITY shall pay to MANAGER a base management fee of \$65,000 per month (the "Management Fee") for the first 12 months of this Agreement and \$60,000 per month for the remainder of the Initial Term. The Management Fee shall begin to accrue on the Commencement Date of this Agreement and shall remain in effect through the term of this Agreement. The Management Fee shall be payable in twelve (12) equal monthly installments ("Monthly Fee") due and payable in advance on the 1st day of each month during the term of this Agreement.

(c) In accordance with Section 3.1(b) of this Agreement, MANAGER shall develop an initial budget and shall present the initial budget to the AUTHORITY's Board of Trustees at least thirty (30) days prior to the beginning of each fiscal year.

(d) Intentionally Left Blank

5. FINANCIAL MATTERS. AUTHORITY and MANAGER shall control the Hospital financial accounts ("Hospital Accounts") and shall each have the right to make withdrawals from and use the Hospital Accounts for the purposes of operating the Hospital and performing its obligations hereunder and paying MANAGER's fees herein until the expiration or termination of the Agreement, at which time MANAGER shall resign as co-signatory for the account. Out of such Hospital Accounts, MANAGER is authorized to pay all Costs of Operation in the following order or priority: (i) all Costs of Operation (other than the Monthly Fee); (ii) all scheduled debt service payments; and (iii) the Monthly Fee due to the MANAGER. MANAGER shall however notify and obtain input from AUTHORITY prior to any unbudgeted capital expenditure over \$10,000. Within 10 days of the execution of this agreement the Hospital Accounts shall be opened at Bank 360. AUTHORITY shall place \$250,000.00 into the account, for use as startup expenses, to be accounted for by MANAGER.

6. Capacity of Manager.

6.1. General Manager. In taking any action pursuant to this Agreement, MANAGER will be acting as an independent contractor for the AUTHORITY, and nothing in this Agreement shall be construed as (a) creating a partnership, joint venture, lease or any other relationship between the parties hereto; or (b) as requiring MANAGER to bear any portion of the losses arising out of or connected with the ownership or operation of the Hospital.

6.2. Authority and Responsibilities of AUTHORITY and AUTHORITY's Board of Trustees.

(a) It is understood that during the term of this Agreement, AUTHORITY is and will remain the responsible licensee of the Hospital and, as such, shall be fully liable and legally accountable at all times to all patients and government organizations for all patient care and funds, and all other aspects of the operation and maintenance of the Hospital.

(b) AUTHORITY covenants and agrees that, during the term of this Agreement, AUTHORITY shall not contract with or offer to contract with any other entity with duties and

responsibilities similar to those of MANAGER hereunder, unless such contract occurs following written notice of termination being provided to MANAGER.

(c) Equipment and Facilities. AUTHORITY shall provide MANAGER, and its respective employees, independent contractors, third-party suppliers and agents, access to Hospital's facilities, equipment and other resources as reasonably necessary or appropriate for the performance of the services or MANAGER's other obligations under the Agreement. AUTHORITY shall keep its facilities and equipment in good condition and repair.

(d) Disaster Recovery. AUTHORITY agrees and acknowledges that it is solely responsible for disaster recovery arrangements for its own business operations. MANAGER shall be solely responsible for disaster recovery arrangements for MANAGER's business operations, including MANAGER's infrastructure and equipment used to provide the services.

(e) Financial Responsibility. All expenses required for the operation of the Hospital shall be paid with AUTHORITY funds. MANAGER shall have no responsibility to provide any funding for Hospital. As part of the services, MANAGER will assist in the development of capital and operating budgets for the Hospital for consideration and approval by the Board of Trustees of AUTHORITY. MANAGER will operate the Hospital in accordance with the approved budgets, but MANAGER shall have no obligation to provide funds or otherwise pay for any goods, services, equipment, facilities, audits, personnel, or other liabilities of the Hospital. MANAGER will not, by entering into and performing this Agreement, become liable for any current, present or future obligations, liabilities, or debts of the Hospital or AUTHORITY. MANAGER will apply the general revenues of the Hospital to the operation and management of the Hospital in accordance with the approved budgets. If the general revenues of and/or other funds available and specifically earmarked for the Hospital are insufficient to meet the operating costs of the Hospital, to include the purchase of medical and other equipment deemed necessary for the efficient operation of the Hospital, MANAGER may request that the Board of Trustees of AUTHORITY provide adequate working capital necessary for the successful operation of the Hospital and the Board of Trustees of AUTHORITY will use its best efforts to fund such requests to the extent funds are available.

(f) Compliance with Law. The parties shall remain legally liable and responsible for the accuracy of all claims, filings, reports, and other submissions made to Governmental Authorities and third party payers and for the resolution of all issues involving compliance with Legal Requirements, including, without limitation, the filing and resolution of all cost reports and all losses or liabilities arising out of compliance with Legal Requirements (including attorneys' fees and consultant, audit or investigation fees). MANAGER will promptly report to Board any known instances of noncompliance with applicable Legal Requirements. For purposes of this Agreement: (i) "Legal Requirements" means all statutes, ordinances, bylaws, codes, rules, regulations, policies, manuals, advisory opinions, official guidance and interpretations, local coverage determinations and national coverage determinations of any Governmental Authority, and any restrictions, judgments, orders, writs, injunctions, decrees, determinations, or awards of any Governmental Authority, having jurisdiction over a Party or its assets or businesses; and (ii) "Governmental Authority" means all agencies, authorities, bodies, boards, commissions, courts, instrumentalities, legislatures, and offices of any nature whatsoever of any federal, state, county, district, municipal, city, or other government or quasi-government unit or political subdivision.

7. Defense, Indemnification and Other Responsibilities.

7.1. Responsibility for Costs of Operation and Other Liabilities. AUTHORITY shall be solely responsible for any local, state and federal taxes, costs and assessments (including but not limited to social security taxes, unemployment insurance, and workers' compensation insurance or other governmental

obligations and all other costs and expenses imposed on AUTHORITY) of any kind associated with Hospital, and MANAGER shall have no liability or obligation with respect thereto. AUTHORITY agrees that MANAGER shall not, by entering into and performing under this Agreement, become liable for any of the Costs of Operation, existing or future obligations, liabilities or debts of the Hospital whatsoever. MANAGER shall act in good faith and use its best efforts to perform its obligations under this Agreement. MANAGER shall not under any circumstances become liable for any incidental, consequential or special damages suffered by AUTHORITY for any reason, whether arising out of breach of contract, negligence or otherwise. Nothing contained herein shall excuse MANAGER from responsibility for the consequences of its own gross negligence or willful misconduct.

7.2. Indemnity.

(a) AUTHORITY to Indemnify MANAGER. Subject to the limitations of Oklahoma law, including but not limited to the Oklahoma Governmental Tort Claims Act, 51 O.S. § 151 et. seq., AUTHORITY shall indemnify and hold harmless MANAGER and its affiliates and their respective officers, directors, employees, contractors and agents (collectively, the “MANAGER Indemnified Parties”) from and against any and all liabilities, claims, losses, costs, judgments, and expenses (including attorneys' fees, expert fees, and other defense costs) (collectively, “Losses”), incurred by, or asserted or rendered against, a MANAGER Indemnified Party and that arise out of or relate to Hospital or the services provided by MANAGER pursuant to this Agreement, unless such Losses are caused by the negligence or willful misconduct of MANAGER.

(b) MANAGER to Indemnify AUTHORITY. MANAGER shall indemnify and hold harmless AUTHORITY, and its respective officers, directors, employees, contractors and agents (collectively, the “AUTHORITY Indemnified Parties”) from and against any and all Losses incurred by, or asserted or rendered against, an AUTHORITY Indemnified Party as a result of the negligence or willful misconduct of MANAGER.

(c) Notice of Claim. In the event that any claim is made which may result in the right of indemnity hereunder, the party against whom the claim is made (the indemnified party) will promptly give notice to the other party (the indemnifying party) and give the indemnifying party the opportunity to defend the claim with counsel reasonably satisfactory to the indemnified party. The indemnifying party will pay all costs of such defense, including reasonable attorneys' fees, whether or not such claim is successful. The indemnifying party shall not settle any claim without the prior written consent of the indemnified party.

7.3. Limitation of Liability.

(a) A party (the “non-performing party”) shall not be in breach of its obligations under this Agreement, and shall have no liability for claims or damages of any nature, to the extent any failure to perform, error in performing, or delay in performing the services or other obligations under this Agreement (excluding, in the case of AUTHORITY as the non-performing Party, AUTHORITY's payment obligations under this Agreement) is caused by: (a) a force majeure event (e.g., fire, storm, acts of God, etc.), (b) the acts or omissions of the other party or its or their affiliates, employees, agents or independent contractors, or (c) any material failure by the other party to comply with its obligations under this Agreement.

(b) **IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY FOR ANY DAMAGES, IRRESPECTIVE OF THE**

NATURE OF THE ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR LOSS OF PROFITS, LOSS OF USE, BUSINESS LOSSES, OR ANY OTHER INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT, EVEN IF THE APPLICABLE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) Warranties. EXCEPT AS OTHERWISE SET FORTH HEREIN, ALL SERVICES PERFORMED BY MANAGER HEREUNDER ARE PERFORMED, PROVIDED, AND MADE AVAILABLE ON AN “AS IS” AND “WITH ALL FAULTS” BASIS, AND AUTHORITY’S USE OF SUCH SERVICES IS AT ITS OWN RISK. MANAGER DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT AND NON-INFRINGEMENT, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. MANAGER DOES NOT WARRANT THAT THE SERVICES PROVIDED HEREUNDER WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE.

8. Non-Solicitation Covenant.

8.1. Non-Solicitation Covenant. Each party covenants and agrees that during the term of this Agreement and for a period of one (1) year after the expiration or termination of this Agreement for any reason other than a breach by the other party causing a termination pursuant to Section 2.4, either party shall not directly or indirectly, on that party’s own behalf, or on behalf of or for the benefit of any person, firm, partnership, corporation, business or organization other than the other party, solicit, engage and/or employ any current employee of the other party unless agreed to by the other party. This provision shall not apply where an employee of a party seeks employment with the other party in response to an advertisement placed into the public domain for that position unless the other party has solicited, directly or indirectly, the application from that employee for that position. This provision shall also not apply as to any CEO for whom AUTHORITY has paid recruitment costs.

8.2. Scope and Nature of Restrictions. The parties agree that the period and scope of the covenant are reasonable and acceptable and that the enforcement thereof shall not in any manner preclude the parties from engaging in other business activities. The parties acknowledge that a breach by either party of the covenant contained in this Section 8 will have an irreparable, material and adverse effect upon the other party and that damages arising from any such breach may be difficult to ascertain. Without limiting any other remedy at law or equity available to the non-breaching party, the non-breaching party shall have the right to an immediate injunction enjoining the breach of the covenant contained in this Section 8. Every right and remedy of the non-breaching party shall be cumulative, and the non-breaching party in its sole discretion may exercise any and all rights or remedies stated in this Agreement or otherwise available at law or in equity. In addition to the aforementioned rights, the non-breaching party shall be entitled to recover from the breaching party all costs and expenses (including without limitation, reasonable attorneys’ fees and court costs) incurred by the non-breaching party in enforcing the provisions of this Agreement.

9. RIGHT OF FIRST REFUSAL. While it is the intent of AUTHORITY to stay independent, in consideration of MANAGER committing its resources in furtherance of this Agreement and notwithstanding anything in this Agreement to the contrary, AUTHORITY agrees that if during the term of this Agreement, if any person or entity makes a bona fide offer to acquire all or substantially all of AUTHORITY’s assets (whether structured as an asset purchase, lease, merger, or other acquisition technique) that the AUTHORITY’s Board of Trustees intends to accept, AUTHORITY shall give MANAGER sixty (60) days prior written notice of the AUTHORITY’s Board of Trustees’ intention to

accept such offer (“Offer Notice”). The Offer Notice, in addition to stating AUTHORITY’s intention to sell its assets, shall also state: (i) a description of the assets to be sold; (ii) the name and address of the proposed acquirer; (iii) the amount of the purchase price; and (iv) the terms of the sale. MANAGER shall have an option for sixty (60) days following delivery of the Offer Notice to purchase the assets proposed to be sold at the purchase price and in accordance with the terms set forth in the Offer Notice. Manager shall exercise such option by providing AUTHORITY written notice within said sixty (60) day period. In the event MANAGER fails to timely exercise such option or MANAGER delivers to AUTHORITY a written declination to exercise such option, then AUTHORITY may sell the assets to the proposed acquirer upon the precise terms set forth in the Offer Notice, provided such sale must occur within the twelve (12) month period immediately following AUTHORITY’s delivery of the Offer Notice. Any deviation in the terms of such sale from the terms set forth in the Offer Notice or failure of the sale to occur within such twelve (12) month period shall require AUTHORITY to comply again with the provisions of this Section 9 prior to any subsequent sale of AUTHORITY’s assets.

10. NOTICES. Any notice or communication required or permitted to be given under this Agreement shall be served personally, sent by United States certified mail or sent by email to the following address:

If to MANAGER: _____

With copy to: _____

If to AUTHORITY:

Attn: Trust Chair

Email: _____

Any change to the notice address listed above must be given to the other party in the same manner as described in this section. The date of notice shall be the date of delivery if the notice is personally delivered, the date of mailing if the notice is sent by United States certified mail or the date of transmission if the notice is sent by email. Each party agrees to maintain evidence of the respective notice method utilized.

11. ASSIGNABILITY OF THIS AGREEMENT. This Agreement or any of its provisions shall not be assigned, delegated or transferred by either party without the prior written consent of the other, provided that either party may assign, delegate or transfer this Agreement upon notice to the other, to another corporation or entity wholly owned or controlled by or under common control with the party.

12. CONFIDENTIALITY. During the term of this Agreement and thereafter and subject to the restrictions of the Oklahoma Open Meetings and Open Records Act, 25 O.S. § 301 et. seq. and 51 O.S. § 24A.1 et. seq. respectively (the “Acts”), MANAGER and AUTHORITY, and their directors, officers, employees, agents, successors and permitted assignees shall hold Confidential Information in the strictest confidence, and shall use their best efforts to protect the Confidential Information from disclosure to third parties as they protect their most confidential business information. Further, MANAGER and AUTHORITY agree that the proceedings, findings, deliberations, reports, minutes and all other documents of peer review committees carrying out the quality assurance or utilization review duties contemplated by this Agreement are privileged, shall not be disclosed by either MANAGER or AUTHORITY, and shall not be subject to discovery, subpoena or other means of legal compulsion for their release except as specifically required by Oklahoma or federal laws, including the Acts. For purposes of this Agreement, “Confidential Information” shall include without limitation AUTHORITY’s records (including medical

records); utilization review and quality assurance programs and records; and MANAGER's and AUTHORITY's finances, earnings, volume of business, office methods, systems, practices, plans, contracts and all similar information. Should law or regulation require either party to disclose information subject to this provision, the disclosing party shall provide prompt notice of such requirement to the other party and cooperate with the other party in responding to such requests in the most restrictive manner allowable.

13. WAIVER OF PROVISIONS. None of the conditions or provisions of this Agreement shall be held to have been waived by any act or knowledge of MANAGER, its agent or employees, but only by an instrument in writing, signed by an officer of MANAGER.

14. ENTIRE AGREEMENT. This Agreement together with exhibits shall constitute the entire agreement between the parties relative to the subject matter hereof. This Agreement may be signed in one or more counterparts including via facsimile or email, or by electronic signature in accordance with Oklahoma law, all of which shall be considered one and the same agreement, binding on all parties hereto, notwithstanding that both parties are not signatories to the same counterpart. A signed facsimile or photocopy of this Agreement shall be binding on the parties to this Agreement

15. BURDENS AND BENEFITS. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors and assignees of MANAGER, AUTHORITY and any future owner of the Hospital.

16. LAWS TO GOVERN. This Agreement shall be construed and governed under the laws of the State of Oklahoma.

17. UNFORESEEN CIRCUMSTANCES. In the event that Hospital does not have proper facilities to allow MANAGER to meet an obligation, or in the event of circumstances beyond MANAGER's reasonable control such as major disaster, epidemic, war, complete or significant destruction of facilities, disability of a significant number of personnel or significant labor disputes other than labor disputes resulting from MANAGER's actions, MANAGER shall perform hereunder to the extent possible according to its best judgment or limitations of such facilities and personnel as are then available, but MANAGER shall have no liability or obligation for delay in performance or failure to perform hereunder.

18. HIPAA. The parties to this Agreement believe they will qualify as a Covered Entity and Business Associate as defined within the Health Insurance Portability and Accountability Act of 1996 and its accompanying regulations ("HIPAA"). In order to comply with the applicable provisions of HIPAA, the parties agree to the provisions of the HIPAA Business Associate Addendum attached hereto and incorporated herein as Exhibit B. The parties agree that they will at all times comply with the requirements of the HIPAA Privacy and Security Rules promulgated by the Secretary of the United States Department of Health and Human Services under HIPAA.

REPRESENTATION AND WARRANTY. Each party represents and warrants to the other party that it, its owners, employees, agents and any subcontractors (collectively "Personnel") are not: (i) listed on the System for Award Management website ("sam.gov") with an active exclusion; or (ii) suspended or excluded from participation in any federal health care programs, as defined under 42.U.S.C. § 1320a-7b(f), any form of state Medicaid program, and are not listed on the Office of the Inspector General's website ("oig.hhs.gov") (collectively, "Government Payor Programs"). Each party also represents and warrants that to the best of its knowledge there are no pending or threatened governmental investigations that may lead to suspension or exclusion of that party or its Personnel from Government Payor Programs or may be cause for listing on sam.gov or oig.hhs.gov (collectively, an "Investigation"). Each party shall notify the other party of the commencement of any Investigation or suspension or exclusion from Government Payor

Programs within three (3) business days of its first learning of it. Either party shall have the right to immediately terminate this Agreement upon learning of any such Investigation, suspension or exclusion. Each party shall be timely kept apprised by the other party of the status of any such Investigation. Each party shall indemnify, defend, and hold the other party harmless from any claims, liabilities, fines, and expenses (including reasonable attorneys' fees) incurred as a result of the breaching party's breach of this paragraph.

[Signature Page Follows]

IN WITNESS WHEREOF, each person signing below represents and warrants that he or she is fully authorized to sign and deliver this Agreement in the capacity set forth beneath his or her signature and the parties hereto have signed this Agreement as of the date and year written below.

TRUST:

Clinton Hospital Authority

By: _____

Name: _____

Title: _____

Address: _____

Date: _____

MANAGER:

Camus Health

By: Jon M. Pains

Name: Jon M. Pains

Title: President & COO

Address: 1810 US Hwy 82 W

Sherman, TX 75092

Date: 10/29/2022

BOARD:

Clinton Regional Hospital Governing Board

By: _____

Name: _____

Title: _____

Address: _____

Date: _____

EXHIBIT A
PROGRAMS AND SERVICES

- Managed Care (Hospitals and Physicians) (Subject to appropriate antitrust guidelines)
 - Managed care strategy development and implementation
 - Managed care education
 - Contracting parameter development
 - Contract review and analysis
 - Medical management/care delivery protocol development and implementation
 - Payor contract negotiation

- Provider Services
 - Medical staff planning and development
 - Continuing medical education programs and resources
 - Recruitment and retention strategy consultation and assistance
 - Provider Alignment
 - Peer Review

- Materials Management
 - Group purchasing program
 - Materials management consultation
 - Materials management education and training
 - Product value analysis
 - Prime vendor distribution program

- Information Systems
 - Information systems strategic planning and consultation
 - Telecommunications services consultation
 - Technology assessment; HIPAA consulting
 - Medical record supervision and organization

- Planning and Marketing
 - Strategy consultation and development
 - Strategic planning process development and implementation
 - Integrated planning and budgeting process design
 - Market research and analysis
 - Marketing plan development
 - Advertising and promotion consultation
 - Patient satisfaction consultation

- Public Relations and Communications
 - Communications planning
 - Public relations planning and evaluation
 - Media relations support

- Graphic Identity assistance
- Mission, Ethics and Advocacy
 - Mission articulation and implementation
 - Ethical decision making consultation
 - Ethics education
 - Public policy position development
- Quality Improvement
 - CMS standards compliance review
 - Continuous quality improvement (CQI) education
 - CQI implementation consultation; clinical process/outcome improvement
- General Management
 - General hospital management
 - Product line development and management
 - Productivity standards
 - Leadership/management education
- Finance and Reimbursement
 - Contractual accounting review/budgeting
 - Product/service line profitability analysis
 - Accounting/budgeting systems oversight
 - Capital expenditure oversight/planning
 - Revenue cycle review and analysis
- Legal, Risk and Compliance
 - Education and training on relevant and related laws
 - Compliance, Auditing and Monitoring consultation
 - Contract templates, fair market value guidance as available internally, general contracting guidance and establishment of a contract review process for designated high-risk contracts.
 - Risk Management support
 - HIPAA Consulting
- Human Resources Management
 - Human resources policy
 - Performance appraisal system
 - Compensation management
 - Employee benefits management
 - Affirmative action and equal employment opportunity consultation
 - Employee orientation consulting
 - Executive succession planning consultation

EXHIBIT B

BUSINESS ASSOCIATE ADDENDUM ("BAA")

THIS BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is made as of the 29th day of October, 2022, ("Effective Date") by and between the Clinton Hospital Authority ("Covered Entity") and Carrus Healthcare, LLC ("Business Associate"), collectively referred to as the Parties.

RECITALS

Covered Entity and Business Associate are Parties to an agreement or other documented arrangements (collectively the "Underlying Agreement") pursuant to which Business Associate will provide certain services to the Covered Entity and, in connection with those services, certain individually identifiable protected health information ("PHI"), may be created, received, used, disclosed, maintained or transmitted by Business Associate or its subcontractors that is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the associated regulations, 45 CFR Parts 160 and 164, the Health Information Technology for Economic & Clinical Health Act ("HITECH"), the American Recovery and Reinvestment Act of 2009 ("ARRA"), the HHS regulations promulgated on January 24, 2013, entitled Modifications to the HIPAA Privacy, Security, Enforcement and Breach Notification Rules under HITECH and the Genetic Information Nondiscrimination Act ("GINA"), and state or federal privacy and security laws or regulations, all as amended from time to time (collectively the "Privacy Rule").

The Parties desire to comply with the Privacy Rule, and intend to protect the privacy and security of PHI of patients of the Covered Entity.

NOW, THEREFORE, for and consideration of the recitals above and the mutual covenants and conditions contained herein, the Parties enter into this Agreement to provide a full statement of their respective responsibilities.

I. Definitions

Unless otherwise provided herein, all capitalized terms shall have the same meaning as set forth in the Privacy Rule.

II. Obligations and Activities of Business Associate

A. Performance of Underlying Agreement. Business Associate agrees to not create, receive, use, disclose, maintain, and/or transmit PHI other than as permitted or required by the Underlying Agreement or as required by law.

B. Safeguards for Protection of PHI. Business Associate agrees that it has adopted, implemented and shall continue to maintain, for so long as Business Associate has access to, maintains, uses or discloses PHI, commercially reasonable and appropriate safeguards (including administrative, technical and physical safeguards) to protect the confidentiality, integrity, availability and security of PHI

and other individually identifiable information obtained from, or created on behalf of, Covered Entity, regardless of the type of media on which it is stored (e.g., paper, fiche, electronic, etc.). Business Associate acknowledges its obligation and agrees to comply with all applicable provisions of the Privacy Rule, specifically including the HIPAA Security Rule, which includes Administrative, Technical and Physical Safeguards, and Policies and Procedures requirements. In the event that PHI is disclosed in electronic format for any transactions covered by any federal or state law and regulations establishing standards for electronic transactions and the code sets used in those transactions, Business Associate agrees to comply with the requirements of such laws and regulations. Additionally, Business Associate agrees to secure internal information systems, laptops, portable devices and removable media. Business Associate agrees to encrypt PHI transmitted for the Covered Entity over a public network.

C. Mitigation of Harm of Unauthorized Use or Disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known or reasonably foreseeable to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement, the Privacy Rule or other applicable law.

D. Reporting of Unauthorized Use or Disclosure. As soon as practicable, but in no event later than ten (10) days, Business Associate agrees to report to Covered Entity in writing any use or disclosure of PHI not provided for by the Underlying Agreement or this Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware. Such report shall contain:

1. A brief description of what happened, including the date of the unauthorized access, use, or disclosure of PHI and the date of the discovery of the unauthorized access, use, or disclosure of PHI;

2. A description of the types of Unsecured PHI that were involved in the unauthorized access, use, or disclosure (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information which were involved);

3. Any recommended steps the individual whose PHI was inappropriately disclosed should take to protect themselves from the potential harm; and

4. A brief description of what the Business Associate or its Subcontractors are doing to investigate the unauthorized access or use of PHI, to mitigate harm to individuals, and to protect against any further Breaches.

Business Associate will report such incidents to the Covered Entity's Privacy Officer, at (918) 421-1800. Business Associate will, subject to the approval of the Covered Entity, provide breach notifications to affected individuals, the HHS Office for Civil Rights (OCR), and potentially the media, on behalf of the Covered Entity. If the Covered Entity elects to be responsible for all required notifications, the Business Associate shall reimburse the Covered Entity for the costs associated with the notifications. Such costs will be paid to Covered Entity by Business Associate within thirty (30) days of receipt of an itemized invoice from the Covered Entity. Business Associate shall permit Covered Entity to investigate any such report and to examine Business Associate's or its Subcontractor's premises, records, and practices for the purpose of determining compliance with this Agreement. This Section shall survive the expiration or termination of this Agreement and shall remain in effect for so long as Business Associate maintains PHI.

E. Use of Subcontractors. To the extent Business Associate contracts with any Subcontractors that access, use, disclose, create, maintain, or transmit PHI on behalf of the Business Associate, such Subcontractors shall agree in writing to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information, and as set forth in this Agreement and the Privacy Rule. Business Associate shall disclose to its Subcontractors only the minimum PHI necessary to perform or fulfill a specific function required or permitted under the Underlying Agreement or this Agreement. Business Associate shall be responsible to the Covered Entity for any acts, failure or omissions of the Subcontractor under this Agreement as if such act, failure, or omission were Business Associate's own acts, failures or omissions. Upon request, Business Associate shall provide to Covered Entity a list of its Subcontractors and copies of any Business Associate Agreements.

F. Access to PHI. Business Associate shall make available PHI in a Designated Record Set to the Covered Entity, or as directed by the Covered Entity to an individual or the individual's designee, for inspection and copying within ten (10) days of a request by Covered Entity as necessary to satisfy the Covered Entity's obligations under the Privacy Rule.

G. Amendment by Business Associate. Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set as directed or agreed to by the Covered Entity pursuant to the Privacy Rule, or take other measures as necessary to satisfy Covered Entity's obligations under the Privacy Rule, within thirty (30) days of receipt of a request from Covered Entity.

H. Documentation of Disclosures. Business Associate agrees to maintain and make available the information required to provide an accounting of disclosures to the Covered Entity, or as directed by the Covered Entity, to an individual, as necessary to satisfy Covered Entity's obligations under the Privacy Rule. Business Associate shall provide such information to the Covered Entity within ten (10) days of a request by Covered Entity.

I. Compliance with Patient Right Provisions of Privacy Rule. To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s)

under Subpart E of 45 CFR Part 164 of the Privacy Rule, Business Associate agrees to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s).

J. Opportunity to Object. Business Associate agrees that, if it has a legal obligation to disclose any PHI, it will notify the Covered Entity as soon as reasonably practical after it learns of such obligation, and in any event within a time sufficiently in advance of the proposed release date such that Covered Entity's rights would not be prejudiced, as to the legal requirement pursuant to which it believes the PHI must be released. If the Covered Entity objects to the release of such PHI, Business Associate will allow the Covered Entity to exercise any legal rights or remedies the Covered Entity might have to object to the release of PHI, and Business Associate agrees to provide such assistance to Covered Entity, at Covered Entity's expense, as Covered Entity may reasonably request in connection therewith.

K. Access to Books and Records. Business Associate agrees to make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the Privacy Rule.

L. Prohibition on Sale of PHI, Marketing and Fundraising. Business Associate agrees that it shall not directly or indirectly receive remuneration in exchange for PHI, to which Business Associate is given access under this Agreement, from or on behalf of the recipient of such PHI, unless otherwise permitted by the Covered Entity or the various exceptions in the Privacy Rule. Business Associate is specifically prohibited from using or disclosing PHI in violation of the marketing prohibitions set forth in the Privacy Rule and shall not use or disclose PHI for fundraising, unless specifically required by the Underlying Agreement.

M. Prohibition on Offshore Disclosure. Nothing in this Agreement shall permit Business Associate to access, store, share, maintain, transmit, use or disclose PHI in any form via any medium with any entity or person, including Business Associate's employees and subcontractors, beyond the boundaries and jurisdiction of the United State without express written authorization from Covered Entity.

III. Permitted Uses and Disclosures by Business Associate

A. Underlying Agreement. Business Associate may use or disclose PHI as necessary to perform functions, activities, or services for, or on behalf of, the Covered Entity as specified in the Underlying Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by the Covered Entity.

B. De-Identification of PHI. Business Associate acknowledges that Business Associate (and its Subcontractors, if any) has no ownership rights with respect to the PHI. Covered Entity retains all rights in the PHI. Except as otherwise may be required by law or provided for in the Underlying Agreement, Business

Associate shall not de-identify PHI without the express written consent of Covered Entity.

C. Other Permitted Uses and Disclosures.

1. Business Associate may use or disclose PHI as required by law.

2. Business Associate agrees to make uses and disclosures and requests for PHI consistent with the Covered Entity's minimum necessary policies and procedures.

3. Business Associate may not use or disclose PHI in a manner that would violate the Privacy Rule if done by the Covered Entity, except for the specific uses and disclosures set forth below.

4. Business Associate may use or disclose PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided such uses are permitted under the Privacy Rule, or Business Associate obtains reasonable assurances from the third-party to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the third-party, and the third-party notifies Business Associate promptly, but in no event later than ten (10) business days, of any instances of which it is aware in which the confidentiality of the information has been breached.

IV. Obligations of Covered Entity

A. Inform of NPP. The Covered Entity shall notify Business Associate of any limitation(s) in the Covered Entity's notice of privacy practices under the Privacy Rule, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Notification of Revocation. The Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

C. Notification of Restriction. The Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that the Covered Entity has agreed to or is required to abide by under the Privacy Rule, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. Term and Termination

A. Term. This Agreement shall become effective on the Effective Date and shall terminate on the same date that the Underlying Agreement terminates, or on

the date Covered Entity terminates for cause as authorized in Section 5.03, whichever is sooner. In addition, certain provisions and requirements of this Agreement shall survive its expiration or other termination in accordance with Section 7.07 herein.

B. Termination for Cause. The Covered Entity may immediately terminate this Agreement and any related Underlying Agreement if the Covered Entity makes the determination that the Business Associate has breached a material term of this Agreement. Alternatively, the Covered Entity may elect to provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Underlying Agreement if Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity, except that the Covered Entity will immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible.

C. Obligations of Business Associate Upon Termination. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from the Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

1. Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

2. Return to the Covered Entity within thirty (30) days of the effective date of termination or, if agreed to by the Covered Entity, destroy the remaining PHI that the Business Associate still maintains in any form, and certify in writing to Covered Entity that all PHI has been returned or destroyed in compliance with NIST 800-88 standards;

3. Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;

4. Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out above which applied prior to termination;

5. Return to Covered Entity or, if agreed to by Covered Entity, destroy the PHI retained by Business Associate, in compliance with NIST 800-88 standards, when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities;

6. As directed by Covered Entity, transmit the PHI to another Business Associate of the Covered Entity at termination, and;

7. Obtain or ensure the destruction of PHI created, received, or maintained by any of the Business Associate's subcontractors in compliance with NIST 800-88 standards.

VI. Indemnification and Disclaimer

A. Indemnification. Business Associate shall indemnify, defend and hold Covered Entity and its affiliates, their directors, trustees, officers, agents, and employees (collectively "the Indemnities") harmless from and against all claims, causes of action, liabilities, judgments, fines, assessments, penalties, damages, awards or other expenses of any kind or nature whatsoever, including, without limitation, attorney's fees, expert witness fees, and costs of investigation, litigation or dispute resolution, incurred by the Indemnities and relating to or arising out of breach or alleged breach of the terms of this Agreement, or a violation of the Privacy Rule, by Business Associate.

B. Disclaimer. COVERED ENTITY MAKES NO WARRANTY OR REPRESENTATION THAT COMPLIANCE BY BUSINESS ASSOCIATE WITH THIS AGREEMENT OR THE PRIVACY RULE WILL BE ADEQUATE OR SATISFACTORY FOR BUSINESS ASSOCIATE'S OWN PURPOSES. BUSINESS ASSOCIATE IS SOLELY RESPONSIBLE FOR ALL DECISIONS MADE BY BUSINESS ASSOCIATE REGARDING THE SAFEGUARDING OF PHI.

VII. Miscellaneous

A. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.

B. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the Privacy Rule and any other applicable law. This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the Parties.

C. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the Privacy Rule.

D. Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 2.01, 2.02, 2.03, 2.04, 2.10, 5.03 and 6.01, to the extent applicable, shall survive termination of this Agreement indefinitely. In addition, Sections 2.06 and 2.07 shall survive termination of this Agreement, provided that the Covered Entity determines that the PHI being retained pursuant to Section 5.03 herein constitutes a Designated Record Set.

E. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than

the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

F. Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or (other than for the delivery of fees) via email transmission to the email address listed below.

If to Business Associate, to:

Carrus Health
1010 US Hwy 82 W Sherman, TX 75092
Attention: Jon M. Rains, President
Phone: (903) 870-2994
Email: jone@carrushealth.com

If to Covered Entity, to:

Attention: _____
Phone: _____
Email: _____

Each party named above may change its address and that of its representative for notice by the giving of notice of the change in the manner provided above.

G. Counterparts; Electronic Copies. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Electronic copies of this document shall be deemed to be originals.

H. Governing Law. The laws of the State of Oklahoma shall govern the interpretation of this Agreement and shall apply in any lawsuit or other dispute arising out of this Agreement, without regard to conflict of laws provisions.

(Signatures on next page)

IN WITNESS WHEREOF, the Parties have hereunto set their hands effective the Effective Date first above written.

Covered Entity:

Business Associate:

Carrus Health

By: _____

By: Jon M. Pains

Printed Name: _____

Printed Name: Jon M. Pains

Print Title: _____

Print Title: President / COO

Date: _____

Date: 10/29/2022

Cyber Liability Coverage

Per Occurrence Limit & Annual Aggregate \$1,000,000, or such amount as may be recommended by the insurance broker which will be based upon the now existing IT systems at the facility.

Coverage to include:

Network Security / Privacy Liability; including

- (1) computer or network systems attacks
- (2) denial or loss of service
- (3) introduction, implantation, or spread of malicious software code
- (4) unauthorized Access and Use of computer systems
- (5) privacy liability
- (6) breach response coverage

Health Care Professional Liability*

<i>Each Occurrence/Incident Claim</i>	<i>\$1,000,000</i>
<i>Annual Aggregate</i>	<i>\$3,000,000</i>

* This coverage shall be carried by the holder of the hospital license which shall be AUTHORITY

Workers Compensation

<i>Coverage A (Workers' Compensation)</i>	<i>Statutory</i>
<i>Coverage B (Employers Liability)</i>	<i>\$ 500,000 Each Accident</i>
	<i>\$ 500,000 Disease – Each Employee</i>
	<i>\$ 100,000 Disease – Policy Limit</i>

ADDITIONAL INSURANCE REQUIREMENTS

1. AUTHORITY shall name “ _____ [Manager] _____ .”, and its officers, employees, agents and volunteers” as an Additional Insured on all required policies, to include but not limited to the liability and defense of suits as respects Professional Liability, General Liability, Auto, Network Security/Privacy Liability, and Director’s & Officer’s Liability, including Employment Practices Liability (EPL) policies. AUTHORITY shall also name MANAGER as Loss Payee with respect to the Crime policy and Commercial Property policy, but only as their interests may appear. The policies should be endorsed to remove any “Insured vs. Insured exclusion.
2. The MANAGER requires that all policies of insurance be written on a primary basis, non-contributory with any other insurance coverages and/or self-insurance carried by the MANAGER, except as respects the gross negligence of MANAGER.
3. MANAGER shall name “ _____ [AUTHORITY] _____ ”, and its officers, employees, agents and volunteers” as an Additional Insured, as respects auto and general liability, but only as respects the negligent acts or omissions of _____ [Manager] _____, and as required by contract.
4. AUTHORITY AND MANAGER shall each provide a Certificate of Insurance evidencing all required coverages prior to the effective date of the agreement, and annually thereafter until termination of the agreement.
5. All policies written on a claims-made basis must be continued either through the continuation of policies at renewal, or through the purchase of an extended reporting endorsement, up to and including the date the Statute of Limitations runs for the State of Oklahoma for all potential claims.
6. All commercial insurance policies shall be placed with carriers with a minimum A.M. Best’s Insurance Guide rating of A- VII.

7. *MANAGER AND AUTHORITY shall each advise in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limit, at which time each party shall make every reasonable effort to reinstate the aggregate limits to comply with the minimum requirements and shall furnish a new certificate of insurance showing such coverage is in force. MANAGER AND AUTHORITY may consider failure to reinstate limits as a material breach to this Agreement.*
8. *MANAGER and AUTHORITY each agree to add a Waiver of Subrogation as respects Property, Workers' Compensation and General Liability policies, as applicable and where permitted by law.*
9. *A minimum 30 day advance written notice for cancellation, non-renewal, or material changes to AUTHORITYS/MANAGER policies is required.*

Disclaimer

Failure of the parties to fully comply with these requirements during the term of this Agreement may be considered a material breach of contract and may be cause for immediate termination of the Contract at the option of the AUTHORITY/MANAGER.

Mutual Cooperation

The parties agree to cooperate with each other in the collection of any insurance proceeds which may be payable in the event of any loss, including the signing and delivery of any proof of loss or other actions required to effect recovery.

Reporting

AUTHORITY AND MANAGER mutually agree to provide immediate notice of any incident, event, demand or claim which may result in a loss.