

FINANCIAL, OPERATIONAL, AND STRATEGIC ASSESSMENT AGREEMENT

Quorum Health Resources, LLC ("Quorum"), is pleased to submit this agreement (the "Agreement") to Mark Twain Health Care District ("MTHCD" or the "District") for financial, operational, and strategic assessment consulting services for Mark Twain Medical District Hospital (the "Hospital"). This Agreement outlines Quorum's approach, timeline, and fee structure for this service (the "Project").

Our Understanding of Your Needs

MTHCD, located in San Andreas, CA, currently has 100% ownership in the facility assets of the Hospital, and, by virtue of the Hospital bylaws, a 50% interest in the residual value of the Hospital upon its dissolution. Currently, there is a lease by the District to the Hospital, and a management services agreement between the Hospital and Dignity. The District board has requested an operational, financial, and strategic assessment to determine the Hospital's ability to sustain itself as an independent hospital, and identify alternatives if independence is not an option.

Our Approach

Quorum will analyze the Hospital's current financial and operating state to determine its ability to become an independent hospital. These assessments will consider the the Hospital's current performance and likely future capital and operating demands for sustaining itself independently.

Financial, Operational, and Strategic Assessments

Financial Assessment

The financial assessment is designed to identify and quantify the Hospital's working capital needs and long-term capital needs for transition to becoming an independent hospital. These analyses will include, at a minimum, projections of future EBIDA margins, capital needs to sustain the organization, and considerations of settlement of outstanding liabilities that may impact financial performance.

Operational Assessment

The operational assessment is designed to identify operating performance and cash flow enhancement opportunities through process improvements and benchmark comparison of the Hospital versus industry standards and Quorum's best practices. Specifically, we will:

- Review existing strategic plans;
- Benchmark key performance indicators against industry and Quorum best practices;
- Review and assess the business office functions;
- Review and assess materials management/supply costs;

- Compare existing staffing to comparable metrics from Quorum CAH clients and provide a high-level assessment of appropriateness of Hospital staffing; and
- Compare current patient volumes and other metrics for the Hospital's employed physicians and physician assistants with best practice metrics.

Strategy Assessment

The strategy assessment will address issues impacting the long-term viability of the Hospital, including:

- Physician alignment, including an analysis of employed physician contracts;
- Market share and outmigrations; and
- Hospital affiliations and potential strategic partners.

Assessment Approach

Project Kickoff and Data Collection

Immediately upon execution of this Agreement, Quorum will conduct a kick-off conference call to establish the formal Project action plan, including identification of the Hospital's and Quorum's responsible parties and expected timelines for completing key Project activities. We will also review Quorum's data request, which will need to be completed by the Hospital and returned to Quorum prior to the initiation of the assessments.

On-Site Review

After doing a desktop analysis of the initial data, the Quorum team will visit the Hospital to conduct an on-site review to validate the findings of the initial data analysis, and to understand more clearly both the Hospital's operations and leadership's understanding of local healthcare market needs and requirements.

Deliverables

After completing the on-site review, Quorum will compile our findings and recommendations in a draft report (the "Draft Report") in PowerPoint format, to allow Hospital leadership an opportunity to provide feedback and ask questions. Once Hospital leadership has approved the Draft Report, Quorum will then issue a final version (the "Final Report") for presentation to the Hospital board. The Final Report will include analysis on the financial and operational ability of the Hospital to operate independently, considerations for strategic direction for the organization, and financial projections. Quorum will present the Final Report at an MTHCD board meeting.

Your Quorum Team

The Project will be overseen by senior-level consultants with experience in acute care and CAH finance, operations, and strategy. Other consultants assigned have experience in cash flow analysis, billing and collections, labor productivity improvement, operating and supply cost analysis, IT (including Meaningful Use requirements), and strategic planning.

Individual biographies can found at the end of this Agreement.

Quorum Has Extensive Experience Helping CAH Executives.

Quorum has extensive experience helping CAHs be successful, providing advisory and support services to more than 30 CAH clients. We also have three decades of experience working with hospitals in rural markets. We understand the distinct operational challenges and a Medicare program regulatory scheme that sets such hospitals apart from others in the United States. Yet like every hospital, operating a successful and prosperous CAH requires sound leadership and management to attain its strategic goals and objectives. Our experts navigate the challenges facing hospitals on a daily basis and can help you successfully resolve them.

The Quorum Difference

The Quorum difference is the extraordinary combination of consulting guidance and operations experience that enables client healthcare organizations to achieve a sustainable future. As an integrated professional services company, Quorum has been delivering innovative, executable solutions through experience and thought leadership for more than three decades. Quorum is consistently ranked among the top healthcare consulting firms in the nation.

Quorum Learning Institute

In addition to consulting, the Quorum Learning Institute attracts nearly 15,000 hospital leaders and professionals each year, offering more than 75 educational and training programs to meet the needs of healthcare staff, leaders, managers, and governing boards. Our faculty members, drawn from Quorum's consulting and operational ranks, have 20 years of experience on average, and most have worked full-time in healthcare before becoming consultants or operators. Consequently, they know firsthand how to resolve the challenges facing hospitals and can draw upon their experiences to deliver education that focuses on practical outcomes.

Timeline & Fees

The effective date of this Agreement will be the date of the last signature (the "Effective Date"); however, the Project will begin on a date mutually agreed upon by the District and Quorum.

The professional fee for the Project as described herein is \$175,000 (the "Professional Fee"). Payment of fifty percent (50%) of the Professional Fee (\$87,500) is due to Quorum with a signed contract. Payment in the amount of \$78,750 will be due and payable to Quorum upon presentation of the Draft Report. Payment of the remaining balance of the Professional Fee (\$8,750) will be due and payable upon delivery of the Final Report. Unless otherwise stated herein, payment is due and payable upon receipt of Quorum's invoice.

The Professional Fee quoted does not include Quorum consultant travel expenses to visit the District or Hospital for this Project. Quorum will invoice the District separately for business related travel and other expenses related to the Project ("Consultant Travel Expenses"). These typically include expenses such as transportation, lodging, meals, document preparation, shipping, etc. Payment for Consultant Travel Expenses as related to the Project is due and payable upon receipt of Quorum's invoice.

The District understands and acknowledges that our bills should be sent directly to the following address, and that the District, as indicated by its signature below, accepts sole responsibility for all payments due under this Agreement:

Name of Facility: _____

To the Attention of: _____

Billing Street Address: _____

Billing City, State, and Zip: _____

Payments can be made by check or by electronic payment. Quorum makes two types of electronic transfers available for customers: Fed Wire (same day transfer) and ACH (a two-day wire via Metavante or other third party automated clearinghouse service). For more information, please send an email to Julie_Boyd@qhr.com.

The Professional Fee quoted for the Project, as described herein, is valid for thirty (30) days from the date of this Agreement, unless otherwise specified.

Additional Information

The District understands and acknowledges that, absent action by the District, the data, reports and information generated by Quorum in performing the services will not be protected by the attorney/client or any similar confidentiality privilege. In the event the District intends to have any portion of Quorum's services conducted under privilege, it is imperative that the District notify Quorum of such intention prior to execution of the signed contract. In such event, the District shall submit the signed contract to the District's legal counsel, and permit the legal counsel to formally request, direct and receive all reports on the services to be provided by Quorum.

The District understands and agrees that any and all timelines outlined in this Agreement are for the District's information only, and that Quorum is not bound by, nor can Quorum guarantee that, any work will be completed within the proposed timelines; however, Quorum will make good faith efforts to ensure the work is completed within a reasonable timeframe.

Quorum reserves the right to withdraw or amend access to any Box.com-provided content at our sole discretion and without notice to the District. Quorum will not be liable if, for any reason, all or any part of any Box.com-provided content is unavailable at any time or for any period. Quorum specifically disclaims any liability for any actions resulting from the District's use of, or access to, any Box.com-provided content. The District may use and access Box.com-provided content at the District's own discretion and risk, and the District is solely responsible for any damage to its computer system or loss of data that results from the use and access of any Box.com-provided content.

Obtaining items through Box.com is at your own risk. Box.com access is provided on an "as is" and "as available" basis, without any promises of any kind, either express or implied. Neither Quorum, nor any person associated with Quorum, makes any promise, warranty, or representation with respect to the completeness, security, reliability, quality, accuracy, or availability of Box.com. Without limiting the foregoing, neither Quorum, nor anyone associated with Quorum, promises, represents, or warrants that Box.com, or any portion thereof, will be accurate, reliable, error-free, or uninterrupted, that Box.com, or the server that makes it available, are free of viruses or other harmful components. Quorum hereby disclaims all warranties of any kind, whether expressed or implied, statutory or

otherwise, including, but not limited to any warranties of merchantability, non-infringement, and fitness for particular purpose.

Quorum's services are of a prospective, educational and process improvement nature, aimed at improving compliance, accuracy and efficiency in financial operations and processes. This is a consultative project, and Quorum will not perform any clinical, financial, coding, or compliance services on behalf of the District. If reviewing patient charts, Quorum will only review and use charts for examples that have already been coded and billed by the District, and such charts will be analyzed for consultative purposes only. Quorum shall not make any coding or reimbursement decision on any particular case for the District, nor shall Quorum direct or be responsible for directing District to re-code or re-bill any charts.

The District understands and acknowledges that Quorum does not provide legal advice, and that Quorum's provision of services outlined herein does not include legal review, consultation, or services. The District further understands and acknowledges that it is the District's responsibility to seek legal review of any and all proposed arrangements and agreements in accordance with the District's standard contracting policies, procedures, and protocols.

The District acknowledges and agrees that Quorum is not responsible or liable for the District's ultimate decisions made with regard to staffing or staff changes, and the District agrees to indemnify, save, and hold Quorum harmless against any claims made by District's employees resulting from any and all staffing decisions made by the District.

The District acknowledges and agrees that hospital-physician relations and physician employment contracts raise significant legal issues and that it is the District's obligation to seek legal counsel with respect to these issues. Quorum does not provide physician employment document valuation services and is not a licensed appraiser. Quorum does not provide advice or opinion on the fair market value or commercial reasonableness of any physician compensation, or on compliance with any federal or state anti-kickback or self-referrals laws. The District acknowledges and agrees that it is the District's obligation to review and approve or seek an outside opinion on the fair market value or commercial reasonableness of physician compensation.

Quorum's services shall not, by themselves, be construed or relied upon as providing a complete due diligence review with respect to any pending or contemplated purchase or sale of District assets. Any reports, studies, recommendations, and other deliverables provided to the District by Quorum are intended for the use and benefit of the District only, and not of any third party. No third-Party is intended, or shall be entitled, to rely upon, enforce, or assert that it is a third-Party beneficiary of, the provisions of any agreement between the District and Quorum.

Next Steps

If the scope of this Agreement is acceptable, please email a signed copy to julie_boyd@qhr.com and mail the required payment to Quorum Health Resources, Attn: Proposal Department, 1573 Mallory Lane - Suite 200, Brentwood, TN 37027. Once the signed Agreement and required payment have been received, Quorum will return a fully executed copy for your records.

All services will be conducted subject to the Addendum 1 – Terms and Conditions and Addendum 2 – Business Associate Agreement, attached hereto and incorporated herein by reference. This Agreement,

Addendum 1, and Addendum 2 will constitute the entire, formal Consulting Services Agreement between the parties as more fully defined in Section 1 of Addendum 1 (collectively referred to herein as the “Agreement,” or the “Contract Documents”).

AGREED TO AND APPROVED (Mark Twain Health Care District):

Signature Date

Name/Title (printed)

AGREED TO AND APPROVED (Quorum Health Resources, LLC):

Timothy J. Ryan, Chief Financial Officer Date

ADDENDUM 1 – TERMS AND CONDITIONS

This Addendum 1 is attached to and made a part of that certain Agreement between Quorum Health Resources, LLC ("Quorum") and Mark Twain Health Care District (the "District") (each a "Party"; collectively, the "Parties"), dated the 28th day of July, 2016.

1. Contract Documents. The contract documents consist of the Agreement, this Addendum 1–Terms and Conditions, and Addendum 2–Business Associate Agreement, attached hereto and incorporated herein by reference (collectively referred to herein as the “Contract Documents”), as well as any subsequent Addendums the Parties may later agree to for additional consulting services. The Contract Documents represent the entire agreement of the Parties thereto as to the subject matter set forth therein. Without limiting the foregoing and the provisions set forth in Section 2 below, no contract, agreement, job description or other instrument entered into between the District and Quorum shall in any way expand or modify the duties, obligations or liabilities of Quorum outlined in the Contract Documents.

2. Amendment. The Contract Documents may not be supplemented, modified, or amended except in writing and signed by both Parties. No person has the authority on behalf of Quorum to waive, modify, or amend any term of the Contract Documents except the person (or his/her successor) duly-authorized to sign these Contract Documents on behalf of Quorum.

3. Project Limitations. The scope and limitations of the services and deliverables provided by Quorum to the District in this Project are set forth in the attached Agreement.

4. Indemnification and Limited Liability.

4.1 Indemnification.

4.1.1 In General. Each Party (“Indemnifying Party”) shall defend, indemnify, save and hold harmless the other Party, its shareholders, members, directors, officers, employees and agents (collectively, an “ Indemnified Party”) from and against any and all judgments, losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys’ fees and expenses paid or incurred by an Indemnified Party), joint or several, which may be asserted against any Indemnified Party arising out of the activities or operations of the Indemnifying Party.

4.1.2 Parties’ Intent. It is the intent of the Parties that this indemnification shall include, without limitation, Quorum Claims arising directly or indirectly out of: (i) any pending or threatened medical malpractice, other tort claim, contractual claim or any other claim or cause of action asserted against any Quorum Indemnified Party ; (ii) any action against any Quorum Indemnified Party brought by any of the Indemnifying Party’s current or former employees or members; (iii) any act or omission by any employee, medical staff member, or other personnel of the Indemnifying Party; and (iv) any violation of any requirement applicable to the Indemnifying Party under any federal, state, or local law or regulation. It also is the Parties’ intent that the obligations within this **Article 4** shall survive any termination or expiration of the Contract Documents.

4.2 Cumulative Liability of Quorum. The cumulative liability of Quorum, its employees, agents, representatives and/or Affiliates to the District for any and all claims, regardless of the form of action, arising out of, or relating in any way to, the Contract Documents, shall not exceed the lesser of: (i) the total of all fees (not including reimbursed costs or expenses) paid by the District pursuant to the Agreement (and no other agreement) as of the date any such claim actually accrued or was filed; or (ii) the total of all fees (not including reimbursed costs or expenses) paid by the District to Quorum pursuant to the Agreement (and no other agreement) during the twelve (12) month period immediately preceding the date on which such claim accrued or was filed.

5. Insurance. The Hospital has, and shall maintain at its own cost and expense, throughout the Term, the following minimum insurance coverage provided by insurance carriers acceptable to Quorum and shall provide evidence of such insurance at Quorum's request:

Comprehensive General Liability (CGL)	\$1,000,000 per occurrence \$3,000,000 aggregate
Hospital Professional Liability (HPL)	\$1,000,000 per occurrence \$3,000,000 aggregate
Umbrella/Excess (Over CGL and HPL)	\$5,000,000 per occurrence and aggregate

6. Term. The Term of the Contract Documents shall commence upon the execution of the Agreement attached hereto ("Effective Date") and shall terminate on the two year anniversary of the Effective Date, unless further extended by agreement of the Parties. ("Expiration Date") (collectively referred to herein as the "Term").

7. Termination for Cause.

7.1 Bankruptcy. Either Party may terminate the Contract Documents immediately in the event the other Party: files a petition commencing a voluntary case against it under the U. S. Bankruptcy Code; makes a general assignment for the benefits of its creditors; becomes insolvent; becomes unable to pay its debts as they become due; files a petition or answer in any proceeding seeking for itself or consenting to, or acquiescing in, any insolvency, receivership, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, or files an answer or other pleading admitting or failing to deny or to contest the material allegations of the petition filed against it in any such proceeding; seeks or consents to, or acquiesces in, the appointment of any trustee, receiver of it or any material part of its property; or has commenced against it any involuntary case under the U. S. Bankruptcy Code, or a proceeding under any receivership, composition, readjustment, liquidation, insolvency, dissolution, or like law or statute, which case or proceeding is not dismissed or vacated within sixty (60) days from commencement.

7.2 Breach or Default. Except as otherwise provided in **Section 7.3** below, if a Party hereto ("Defaulting Party") fails substantially to perform any of its material obligations under the Contract Documents, the other Party ("Non-Defaulting Party") may give the Defaulting Party a "Notice of Default." The Notice of Default shall set forth the nature of the obligation that the Defaulting Party has not performed and shall be in writing. The Defaulting Party will have sixty (60) days to cure the default (the "Cure Period"). If the Defaulting Party does not cure the default within the Cure Period, the Non-Defaulting Party shall have the right to terminate the Contract Documents upon no less than thirty (30) days' notice; provided that notice of termination must be given no later than thirty (30) days after the expiration of the Cure Period. Failure to terminate the Contract Documents shall not waive any breach of the Contract Documents. A waiver of any breach of the Contract Documents shall not constitute a waiver of any future breaches of the Contract Documents, whether of a similar or dissimilar nature.

7.3 Non-Payment. If the District fails to make any payment to Quorum hereunder within ten (10) days following Quorum's notice to the District of non-payment, Quorum, among other rights and remedies pursuant to the Contract Documents or otherwise available at law or in equity, shall have the right to terminate the Contract Documents immediately. Failure to terminate the Contract Documents shall not waive any breach of the Contract Documents or release the District from any liability under the Contract Documents. A waiver of any breach of the Contract Documents shall not constitute a waiver of any future breaches of the Contract Documents, whether of a similar or dissimilar nature.

7.4 Licenses. Either Party shall have the right to terminate the Contract Documents immediately in the event any material license or certification required by the other Party to operate cannot be obtained, or is suspended, terminated, or revoked.

7.5 Litigation. Either Party may terminate the Contract Documents upon thirty (30) days written notice in the event there is entered against the other Party one or more judgments or decrees which the terminating Party reasonably believes would have a material adverse effect upon the financial condition or business operations of the other Party or the other Party's ability to perform under the Contract Documents.

7.6 Effects of Termination or Expiration. In the event of the termination or expiration of the Contract Documents for any reason, Quorum shall be paid within thirty (30) days of Quorum's last invoice date all fees theretofore earned, and reimbursed for all expenses incurred by Quorum in accordance with the terms of the Contract Documents. In the event Quorum should terminate the Contract Documents for breach, default or nonpayment, or the District should terminate the Contract Documents without the ability to do so under the Contract Documents, Quorum shall immediately be paid all fees that would normally be paid by the District and would accrue each month from the date of notice of termination through the end of the Term of the Contract Documents. The right to terminate the Contract Documents, and to receive payment of any amounts owing as of the effective date of termination, shall be in addition to any other remedy available at law or in equity. The expiration or termination of the Contract Documents for any reason shall be without prejudice to any payments or obligations which may have accrued or become due hereunder prior to the date of termination, or which may become due after such termination.

8. No Third-Party Beneficiaries. The Contract Documents are solely between the Parties hereto. No third-Party is intended, or shall be entitled, to rely upon, enforce, or assert that it is a third-Party beneficiary of, the provisions of the Contract Documents.

9. Notices. Any notice, demand, request or other communication which one Party to the Contract Documents may give to the other shall be in writing, and shall be deemed to have been properly given: (i) if hand-delivered, or if sent by fax, upon receipt, or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail (or registered or certified airmail), postage prepaid, return receipt requested, effective two (2) days after deposit in the United States mail, addressed to the address or faxed to the fax number as follows, or such other address as the Parties may designate in writing:

To the District: Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249
Attn: Chief Executive Officer
FAX: _____

To Quorum: Quorum Health Resources, LLC
1573 Mallory Lane, Suite 200
Brentwood TN 37027
Attn: President and CEO
Fax: (615) 371-4600

With Copy to: 1573 Mallory Lane, Suite 100
Brentwood TN 37027
Attn: General Counsel

10. Notice of Breach. Neither Party shall be considered in breach of the Contract Documents for any reason unless and until it has been properly provided with written notice of such alleged breach, and has been afforded at least sixty (60) days to cure any alleged breach.

11. Late Payments. The District shall pay Quorum interest on all payments hereunder that are not paid when due. Interest shall accrue from the date the original payment was due at a rate of one

and one-half percent (1.5%) per month until the payment is made in full. The District shall bear the costs of any and all legal or collection fees, costs and/or expenses, of any kind, incurred by Quorum in attempting to enforce the District's payment obligations hereunder.

12. Governing Law. The Contract Documents shall be governed by and construed, interpreted, and enforced pursuant to the laws of the state of Tennessee (without regard to its conflicts of laws rules or principles).

13. Authority of Quorum. It is understood that even though Quorum is performing certain consulting services on behalf of the other Party hereto, Quorum has no authority or responsibility to make or implement any recommended improvements or changes. The District hereby acknowledges and agrees that Quorum has no responsibility (unless separately engaged by such Party) to implement or make any Quorum-recommended improvements; and the District acknowledges and agrees that it has the sole responsibility to implement any recommended changes or improvements.

14. No Licensed Work. It is understood that in the course of performing its duties under the Contract Documents, Quorum shall not perform, or be expected to perform, or be responsible for the performance of, any work that normally would be expected of a professional/licensed person, including, but not limited to, the services of an architect, engineer, testing firm, accountant, attorney, physician or other allied health professional.

15. Reliance. The District agrees that Quorum may rely upon all information provided to Quorum as being true, correct and accurate, and Quorum shall have no duty to verify, test or otherwise validate such information at any time.

16. Environmental Matters. Quorum hereby disclaims any responsibility for the Hospital's compliance with any applicable environmental laws, including laws governing hazardous waste, hazardous materials, or environmental matters of any kind.

17. No Guarantee. It is understood that by the nature of the services provided hereunder, Quorum has not predicted (and cannot predict) any form of success, cost-saving or economic return for the services it will provide hereunder. The District hereby acknowledges and agrees that no person is authorized to make any such prediction or representation on behalf of Quorum.

18. Personnel. Any individuals listed as expected, or potential, team members may not, in fact, provide any of the services listed in the Agreement. If deemed by Quorum to be necessary, Quorum hereby reserves the right to perform its services hereunder with personnel of its choosing, and to change or substitute such personnel, at its sole discretion, for others with similar qualifications and/or levels of experience.

19. Arbitration for All Disputes. Except for any breach of **Article 21** below, to which the Parties are entitled to seek injunctive relief in a court of competent jurisdiction, any controversy or claim arising out of or relating to the Contract Documents, or the breach, termination or validity thereof, shall be determined by binding arbitration in Brentwood, Williamson County, Tennessee in accordance with the arbitration rules of the American Arbitration Association ("AAA") in effect on the date of these Contract Documents by a single arbitrator who: (i) has at least fifteen (15) years of experience as a healthcare attorney; and (ii) is selected as provided in the rules of the AAA. The arbitrator shall base the award on these Contract Documents, and applicable law and judicial precedent, and shall accompany the award with a written explanation of the reasons for the award. The arbitration shall be governed by the substantive and procedural laws of the state of Tennessee applicable to contracts made and to be performed therein. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Quorum shall be entitled to recover the costs of such action so incurred, including, without limitation, reasonable attorney's fees.

20. Covenant Not to Hire. During the term of the Contract Documents, and for a period of at least one (1) year following the termination or expiration of the Contract Documents (for any reason), the Parties will not, directly or indirectly, through an affiliate or separate employee leasing or staffing company or otherwise, employ, or solicit for employment, any employee, agent, or independent contractor of the other Party (or in any way affiliated with the other Party) unless the other Party gives its prior and written consent thereto. The Parties recognize and agree that monetary damages are not an adequate remedy for a breach of this covenant not to hire. The Parties agree that irreparable damage will result to the affected Party and its business from a breach of this covenant, and that, in the event of a breach or a threatened breach of this covenant, in addition to monetary damages, the affected Party shall be entitled to an injunction enjoining the other Party hereto from violating this covenant. If the affected Party grants the other Party its written consent to hire any of the affected Party's employees, agents or independent contractors at any time, the other Party acknowledges that the affected Party shall have the right to charge the other Party a hiring fee equal to at least twenty-five percent (25%) of the hired person's base annual salary that will be (or is) paid by the hiring Party to the hired person when actually hired by such other Party.

21. Compliance with Laws. In performing their respective duties hereunder, Quorum the District shall conduct themselves in full accordance with all applicable state, federal and local laws and regulations, including, without limitation, the federal physician self-referral law (commonly known as the "Stark II Law," 42 U.S.C. § 1395nn et seq.), and the anti-fraud and abuse provisions of the Social Security Act (42 U.S.C. § 1320a-7 et seq.). Nothing in the Contract Documents shall require any Party to arrange for, or send patients to, any other Party, or to any other Party's affiliated hospitals or providers. Neither Quorum nor any of its representatives providing services hereunder, is now or has ever been excluded, debarred, or otherwise made ineligible from participation in any government program, including any federal or state healthcare program.

22. Confidentiality. The District and Quorum agree not to disclose any of the terms and/or conditions of the Contract Documents to any third-Party (other than their professional advisors) without the other Party's express and prior written consent. Both Parties also hereby agree, at all times during the Term, to keep the other Party's information, data and documents absolutely confidential, and they agree not to disclose such information, data or documents to any third-Party (other than such Party's professional advisors) without the other Party's express and prior written consent.

23. HIPAA Compliance and Business Associate Agreement. Both Parties acknowledge and agree that they will ensure that a HIPAA compliant Business Associate Agreement ("BAA" or "Addendum 2", where applicable) is in place between them before services begin, to evidence their compliance with privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A, D and E ("the Privacy Rule"), the security standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160, 162 and 164, subpart C ("the Security Rule"), and the requirements of Title XIII, Subtitle D of the Health Information Technology for Economic and Clinical Health (HITECH) Act, as well as any applicable state confidentiality laws. Quorum shall comply with its responsibilities under such BAA; however, it remains the District's full and sole responsibility to ensure that all data and information submitted to Quorum is transmitted and delivered to Quorum in a secure, HIPAA-compliant manner.

24. Access to Books and Records. Upon the written request of the Secretary of Health and Human Services, or the Comptroller General, or any of their duly-authorized representatives, Quorum and any of its subcontractor providing services, with a value or cost of \$10,000 or more over a twelve-month period, shall make available to the Secretary the contract, books, documents, and records necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four (4) years after the rendering of such services. The Parties agree that any applicable

attorney-client, accountant-client, or other legal privilege shall not be deemed waived by virtue of the Contract Documents.

25. District Data Usage. The District agrees that Quorum may use any data provided to Quorum by the District in an aggregated, un-identifiable form (the "Aggregated Data") for any purpose, and District hereby grants to Quorum a perpetual, royalty-free license for such use. All District and Hospital data shall be deemed to be Confidential Information. In no event does the Aggregated Data include any personally identifiable information.

ADDENDUM 2 – BUSINESS ASSOCIATE AGREEMENT

This Addendum is attached to and made a part of that certain Agreement by and between Quorum Health Resources, LLC ("Business Associate") and Mark Twain Health Care District ("Covered Entity") (each a "Party"; collectively, the "Parties"), dated the 28th day of July, 2016.

- A. Definitions.** Unless otherwise provided in this Addendum, all capitalized terms in the Addendum will have the meaning set forth in the HIPAA Requirements. References to Protected Health Information (hereinafter "PHI") shall be construed to include Electronic Protected Health Information, and references to PHI shall mean only the PHI that Business Associate uses, discloses, creates, receives, maintains and/or transmits for or on behalf of Covered Entity to perform the Services. For purposes of this Addendum, capitalized words shall have the definitions given or used by the HIPAA Requirements as of the compliance deadline established by such requirements. The Parties hereby acknowledge that the definition of PHI includes Genetic Information, as defined at 45 C.F.R. §160.103.
- B. Purposes for which PHI May Be Disclosed to Business Associate.** In connection with the services provided by Business Associate to or on behalf of Covered Entity described in this Agreement, Covered Entity may disclose PHI to Business Associate incidentally during the performance of service and support activities.
- C. Obligations of Covered Entity.** Covered Entity shall:
1. provide Business Associate a copy of its Notice of Privacy Practices ("Notice") produced by Covered Entity in accordance with 45 C.F.R. §164.520 as well as any changes to such Notice;
 2. provide Business Associate with any changes in, or revocation of, authorizations by Individuals relating to the use and/or disclosure of PHI, if such changes affect Business Associate's permitted or required uses and/or disclosures;
 3. notify Business Associate of any restriction to the use and/or disclosure of PHI to which Covered Entity has agreed in accordance with 45 C.F.R. §164.522 as well as any changes thereto; and,
 4. notify Business Associate of any amendment to PHI to which Covered Entity has agreed in accordance with 45 C.F.R. §164.526 that affects a Designated Record Set maintained by Business Associate.
- D. Obligations and Activities of Business Associate.** Quorum acknowledges and agrees it meets the definition of a "business associate" as defined at 45 C.F.R. §160.103. Business Associate shall only create, receive, use, disclose, maintain, and/or transmit PHI in compliance with this Agreement and the Confidentiality Requirements, including 45 C.F.R. §164.504(e). Business Associate agrees to comply with applicable federal and state laws, including but not limited to the HIPAA Requirements.
- E. Use of PHI.** Except as otherwise permitted by law and this Addendum, Business Associate shall only create, receive, use, disclose, maintain, and/or transmit PHI in compliance with the Agreement, this Addendum and the HIPAA Requirements, whichever is more protective of patient confidentiality and patient rights. In accordance with the foregoing, Business Associate shall use PHI (i) to perform the Services, and (ii) as necessary for the proper management and administration of the Business Associate or to carry out Business Associate's legal responsibilities, provided that such uses are permitted under federal and applicable state law. Additionally, Business Associate may use and disclose PHI for Data Aggregation purposes relating to the health care operations of the Covered Entity.

F. Disclosure of PHI. Business Associate may disclose PHI if required to do so by law. In addition to regarding Business Associate Agreements with Subcontractors, Business Associate may disclose PHI to a third Party, including any Subcontractor, as necessary for such third Party to assist Business Associate in performance of the Services; provided, however, that prior to any such disclosure Business Associate: (a) obtains reasonable written assurances from the third Party, including any Subcontractor, to whom the PHI is disclosed that the third Party will hold such PHI confidentially and will use or disclose such PHI only as Required by Law or for the purpose(s) for which the PHI was disclosed to the third Party; and (b) requires the third Party, including any Subcontractor, to agree to notify the Business Associate promptly, but in no event later than five (5) business days, following any instance of which such third Party is aware that PHI has been used or disclosed for a purpose that is not permitted by this Addendum or the HIPAA Requirements. Business Associate further agrees that any disclosures of PHI made by Business Associate to any third Party, including Subcontractors, shall comply with the HIPAA Requirements, including but not limited to the Security Standards.

- 1. Data Aggregation.** In the event that Business Associate works for more than one Covered Entity, Business Associate is permitted to use and disclose PHI for data aggregation purposes, however, only in order to analyze data for permitted health care operations, and only to the extent that such use is permitted under the Privacy Rule.
- 2. De-identified Information.** Business Associate may use and disclose de-identified health information if (i) the use is disclosed to Covered Entity and permitted by Covered Entity in its sole discretion and (ii) the de-identification is in compliance with 45 C.F.R. §164.502(d), and the de-identified health information meets the standard and implementation specifications for de-identification under 45 C.F.R. §164.514(a) and (b) and the dates of birth and zip codes of individuals in the de-identified population are also excluded.
- 3. Safeguards.** Business Associate shall maintain appropriate safeguards to ensure that PHI is not used or disclosed other than as provided by this Agreement or as required by Law. Business Associate shall implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI it creates, receives, maintains, or transmits on behalf of Covered Entity.
- 4. Minimum Necessary.** Business Associate shall attempt to ensure that all uses and disclosures of PHI are subject to the principle of “minimum necessary use and disclosure,” *i.e.*, that only PHI that is the minimum necessary to accomplish the intended purpose of the use, disclosure, or request is used or disclosed.
- 5. Disclosure to Agents and Subcontractors.** If Business Associate discloses PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, to a subcontractor, Business Associate shall require the subcontractor to agree to the same restrictions and conditions as apply to Business Associate under this Agreement. In accordance with 45 C.F.R. §164.502(e)(1)(ii) and §164.308(b)(2), if applicable, Business Associate shall ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate enter into an agreement with Business Associate that is substantially similar to the agreement between Business Associate and Covered Entity and agrees to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information. Business Associate shall ensure that any subcontractor agrees to implement reasonable and appropriate safeguards to protect the confidentiality, integrity, and availability of the

electronic PHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity.

6. Individual Rights. Business Associate agrees as follows:

(a) Individual Right to Copy or Append PHI in the Designated Record Set.

In the event Business Associate maintains a Designated Record Set on behalf of Covered Entity, Business Associate shall promptly take all actions necessary for Covered Entity to comply with 45 C.F.R. §§164.524 and 164.526. Business Associate shall provide any request it (or its Subcontractors) receives from an Individual for access or amendment under such regulations to Covered Entity within five (5) business days of receipt. Business Associate agrees that only Covered Entity shall respond to requests received by Business Associate (or its Subcontractors) from Individuals.

(b) Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an Accounting of Disclosures of PHI in accordance with 45 C.F.R. §164.528, and to make this information available to Covered Entity within fifteen days of Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for Accounting of Disclosures. Such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures prior to the compliance date of the Privacy Rule) and shall be provided for as long as Business Associate maintains the PHI. If an Individual requests an Accounting of Disclosures directly from Business Associate, Business Associate will forward the request and its Disclosure record to Covered Entity within five (5) business days of Business Associate's receipt of the Individual's request. Covered Entity will be responsible for preparing and delivering the Accounting to the Individual. Business Associate will not provide an Accounting of its Disclosures directly to any Individual.

7. Internal Practices, Policies and Procedures. Except as otherwise specified herein, Business Associate shall make available its internal practices, policies and procedures relating to the use and disclosure of PHI, received from or on behalf of Covered Entity to the Secretary or his or her authorized agents for the purpose of determining Business Associate and/or Covered Entity's compliance with the HIPAA Rules, or any other health oversight agency,. Records requested that are not protected by an applicable legal privilege will be made available in the time and manner specified by Covered Entity or the Secretary.

8. Notice of Privacy Practices. Business Associate shall abide by the limitations of Covered Entity's Notice of which it has knowledge. Any use or disclosure permitted by this Agreement may be amended by changes to Covered Entity's Notice; provided, however, that the amended Notice shall not affect permitted uses and disclosures on which Business Associate relied prior to receiving notice of such amended Notice.

9. Withdrawal of Authorization. If the use or disclosure of PHI in this Agreement is based upon an Individual's specific authorization for the use or disclosure of his or her PHI, and the Individual revokes such authorization, the effective date of such authorization has expired, or such authorization is found to be defective in any manner that renders it invalid, Business Associate shall, if it has notice of such revocation, expiration, or invalidity, cease the use and disclosure of the Individual's PHI except to the

extent it has relied on such use or disclosure, or if an exception under the Privacy Rule expressly applies.

10. **Security Incident.** Business Associate agrees to report to the Covered Entity any Security Incident of which Business Associate becomes aware.
 - (a) Attempted incidents, i.e., those incidents that are unsuccessful, shall be reported to the Covered Entity within 30 days of the Covered Entity's written request. The Covered Entity will not make such a request more frequently than quarterly.
 - (b) Successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operation shall be reported to the Covered Entity promptly and in no case greater than 3 business days.
11. **Breaches of Unsecured PHI.** Business Associate will report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §§164.400 *et seq.* (each a "HIPAA Breach"), within five (5) business days of the date Business Associate Discovers the Breach, and shall provide Covered Entity with all information required by 45 C.F.R. §164.410 that Business Associate has or may obtain without unreasonable difficulty. Business Associate will provide such information to Covered Entity in the manner required by the Breach Notification Regulations, and as promptly as is possible. Business Associate will reimburse Covered Entity for any reasonable expenses Covered Entity incurs in notifying Individuals of such Breach experienced by Business Associate or Business Associate's Subcontractors, and for all reasonable expenses Covered Entity incurs in mitigating harm to those Individuals as well as Covered Entity. This Section shall survive the expiration or termination of this Addendum and shall remain in effect for so long as Business Associate maintains PHI.

G. Term and Termination.

1. **Term.** This Agreement shall be effective as of the Effective Date and shall be terminated when all PHI provided to Business Associate by Covered Entity, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity.
2. **Termination for Breach.** Either Party may terminate the Agreement (the "Terminating Party") upon written notice to the other Party (the "Terminated Party") if the Terminating Party determines that the Terminated Party has breached a material term of this Addendum. The Terminating Party will provide the Terminated Party with written notice of the breach of this Agreement and afford the Terminated Party the opportunity to cure the breach to the satisfaction of the Terminating Party within thirty (30) days of the date of such notice. If the Terminated Party fails to timely cure the breach, as determined by the Terminating Party in its sole discretion, the Terminated Party may terminate the Agreement.
3. **Effect of Termination.** Upon termination of this Agreement for any reason, Business Associate agrees to return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, maintained by Business Associate in any form. If Business Associate determines that the return or destruction of PHI is not feasible, Business Associate shall inform Covered Entity in writing of the reason thereof, and shall agree to extend the protections of this Agreement to such PHI and limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI not feasible for so long as Business Associate retains the PHI.

- H. Mitigation.** If Business Associate violates this addendum or either of the HIPAA Rules, Business Associate agrees to mitigate, to the extent practicable, any direct damage caused by such breach.
- I. Rights of Proprietary Information.** Covered Entity retains any and all rights to the proprietary information, confidential information, and PHI it releases to Business Associate.
- J. Survival.** The respective rights and obligations of Business Associate under Section D of this Agreement shall survive the termination of this Agreement.
- K. Notices.** Any notices pertaining to this Addendum shall be given in writing and shall be deemed duly given when personally delivered to a Party or a Party's authorized representative as listed below or sent by means of a reputable overnight carrier, or sent by means of certified mail, return receipt requested, postage prepaid. A notice sent by certified mail shall be deemed given on the date of receipt or refusal of receipt. All notices shall be addressed to the appropriate Party as follows:

If to Business Associate: Quorum Health Resources, LLC
1573 Mallory Lane, Suite 200
Brentwood TN 37027
Attn: President and CEO

With Copy to: 1573 Mallory Lane, Suite 100
Brentwood TN 37027
Attn: General Counsel

If to Covered Entity: Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249
Attn: Chief Executive Officer
FAX: _____

- L. Amendments.** This Addendum may not be changed or modified in any manner except by an instrument in writing signed by a duly authorized officer of each of the Parties hereto. The Parties, however, agree to amend this Addendum from time to time as necessary, in order to allow Covered Entity's to comply with the requirements of the HIPAA Rules.
- M. Choice of Law.** This Agreement and the rights and the obligations of the Parties hereunder shall be governed by and construed under the laws of the state of Tennessee, without regard to applicable conflict of laws principles.
- N. Assignment of Rights and Delegation of Duties.** This Addendum is binding upon and inures to the benefit of the Parties hereto and their respective successors and permitted assigns. However, neither Party may assign any of its rights or delegate any of its obligations under this Addendum without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Notwithstanding any provisions to the contrary, however, Covered Entity retains the right to assign or delegate any of its rights or obligations hereunder to any of its wholly owned subsidiaries, affiliates or successor companies. Assignments made in violation of this provision are null and void.
- O. Nature of Addendum.** Nothing in this Addendum shall be construed to create (i) a partnership, joint venture or other joint business relationship between the Parties or any of their affiliates, (ii) any fiduciary duty owed by one Party to another Party or any of its affiliates, or (iii) a relationship of employer and employee between the Parties.

- P. No Waiver.** Failure or delay on the part of either Party to exercise any right, power, privilege or remedy hereunder shall not constitute a waiver thereof. No provision of this Agreement may be waived by either Party except by a writing signed by an authorized representative of the Party making the waiver.
- Q. Severability.** The provisions of this Addendum shall be severable, and if any provision of this Addendum shall be held or declared to be illegal, invalid or unenforceable, the remainder of this Addendum shall continue in full force and effect as though such illegal, invalid or unenforceable provision had not been contained herein.
- R. No Third Party Beneficiaries.** Nothing in this Addendum shall be considered or construed as conferring any right or benefit on a person not Party to this Addendum nor imposing any obligations on either Party hereto to persons not a Party to this Agreement.
- S. Headings.** The descriptive headings of the articles, sections, subsections, exhibits and schedules of this Addendum are inserted for convenience only, do not constitute a part of this Addendum and shall not affect in any way the meaning or interpretation of this Addendum.
- T. Entire Agreement.** This Agreement, together with all Exhibits, Riders and amendments, if applicable, which are fully completed and signed by authorized persons on behalf of both Parties from time to time while this Agreement is in effect, constitutes the entire Agreement between the Parties hereto with respect to the subject matter hereof and supersedes all previous written or oral understandings, Agreements, negotiations, commitments, and any other writing and communication by or between the Parties with respect to the subject matter hereof. In the event of any inconsistencies between any provisions of this Agreement in any provisions of the Exhibits, Riders, or amendments, the provisions of this Agreement shall control.
- U. Interpretation.** Any ambiguity in this Addendum shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules and any applicable state confidentiality laws. The provisions of this Addendum shall prevail over the provisions of any other Agreement that exists between the Parties that may conflict with, or appear inconsistent with, any provision of this Addendum or the HIPAA Rules.
- V. Regulatory References.** A citation in this Agreement to the Code of Federal Regulations shall mean the cited section as that section may be amended from time to time.



John Maher, MBA, FACHE

Senior Vice President, Consulting

Throughout his more than 20 years of experience in healthcare management, consulting, and leadership, John has been focused on several important areas, including strategic planning, client engagement management, business plan development and execution, market research and analysis, revenue and market expansion, and financial management and improvement.

John began his healthcare career as a physical therapist, which led him to later become a rehab clinic consultant. He has helped many clinics through the development of staffing plans, compliance programs, and strategic marketing programs. Following his time as a consultant, John served as vice president of Southwind and as principal at Premier Performance Partners. In both roles, John helped improve healthcare client performance through the development of highly effective strategic, financial, and turnaround plans.

Professional Experience

Vice President, Southwind, A Division of The Advisory Board Company

Principal, Premier Performance Partners, Premier, Inc.

Director, Premier Consulting Solutions

Senior Managing Consultant, Phase 2 Consulting

Program Services Consultant, RehabCare Group

Director of Clinical Services, The Rehab Clinic, The Reading Hospital and Medical Center

Education

M.B.A., Finance, Saint Joseph's University, Philadelphia, PA

B.S., Physical Therapy, Ithaca College, Ithaca, NY

Fellow, American College of Healthcare Executives

Member, Healthcare Financial Management Association

Licensed Physical Therapist, Commonwealth of Pennsylvania

Eagle Scout, Boy Scouts of America

Professional and Business Activities

Member, Healthcare Financial Management Association

Fellow, American College of Healthcare Executives

Vice President, Center City Resident's Association, Philadelphia, PA



Dan Hamman

Vice President, Operations, Strategic Integrated Resources Group

Dan Hamman has more than 30 years of hospital operations and financial management experience, and has held leadership positions with several complex healthcare organizations. Among his key management accomplishments, he has: guided the implementation of a system-wide electronic medical record database; developed strategic financial plans and physician compensation packages; secured tax-exempt bond financings for various Quorum clients; established provider-based clinics; developed an intake center to support a regional referral network; and overseen the restructuring of debt, including bankruptcy filings, sales and other strategic financial transactions.

Areas of Expertise

Strategic and Financial Planning and Analysis

Reimbursement and Managed Care

Revenue Cycle

Performance Improvement

Mergers, Acquisitions, Divestitures, and Joint Ventures

Capital Improvement Projects

Board and Medical Staff Relations

Board Governance

Education

Credit toward M.H.S.A., Healthcare Administration, St. Joseph's College

B.A, Business Administration, Heidelberg College

Professional and Business Activities

Fellow, American College of Health Executives

Advanced Member, Healthcare Financial Management Association



Scott Towle

Associate Vice President

Scott Towle has 25 years of healthcare financial management experience in areas such as benchmark performance analysis, budgeting, financial reporting, long-term financial strategic planning, financial improvement planning, financial operational reviews, and rate setting. Scott currently serves Quorum's New England clients, as well as those in Ohio.

Professional Experience

Chief Financial Officer, Littleton Regional Hospital
Chief Operating Officer, Maine Coast Healthcare Corporation
Chief Financial Officer, Maine Coast Healthcare Corporation
Director of Reimbursement, St. Joseph Hospital

Education

B.S., Business Administration & Financial Management, Husson College

Recent Speaking Engagements & Presentations

Strategies for Management Success - Financial Management - 2007
How Nurses Impact the Bottom Line, HFMA Region 2, 2007
Integrating Strategic and Financial Planning - Trustee Role - 2006

Areas of Expertise

- Budgeting
- Conference Instruction
- Conference Presentation
- Cost Reduction
- Education Programs
- Financial Analysis
- Financial Management Consulting
- Financial Planning and Analysis
- Management Skills Training
- Operating, Capital, and Cash Budgets
- Operational and Capital Budget Implementation
- Product Line Development
- Program Development
- Turnaround Projects
- Turnaround Management and Operations Improvement
- Performance Improvement
- Financial Modeling
- Operations Growth & Program Development
- Curriculum Development



Robert A. Vento

Chief Operating Officer

With more than 35 years of progressive healthcare experience, Bob's first priority is helping Quorum's clients achieve success through innovation and performance improvement. He also advises hospital boards on effectively navigating today's challenging healthcare environment. Bob's broad experience and seasoned perspective allows him to understand and help meet client needs, create new business solutions, and develop successful management teams.

Prior to joining Quorum, Bob served Epic Healthcare Services as chief operating officer and director of corporate utilization management. He also served as administrator at Denton Regional Medical Center and chief operating officer at North Texas Physicians and Surgeons, P.A., a multi-specialty group practice organization.

Areas of Expertise

Financial Planning and Analysis

Strategic Planning

Mergers and Acquisitions

Operations Improvement

Turnaround Management and Operations Improvement

Operations Growth and Program Development

Consulting Solutions

Restructuring