

**AGREEMENT FOR SERVICES  
AND DEVELOPMENT OF  
PRIMARY CARE HEALTH CENTER**

This Agreement for Services and Development of Primary Care Health Center (“Agreement”) is made and entered into effective the 13 day of October, 2015 (“Effective Date”), by and between **HEMPFIELD SCHOOL DISTRICT**, a Pennsylvania School District having an office at 200 Church Street, Landisville, Pennsylvania 17538, on behalf of itself and as plan sponsor to its health plan (the “District”), and **LANCASTER GENERAL MEDICAL GROUP**, a Pennsylvania non-profit corporation, having an office at 555 North Duke Street, Lancaster, PA 17604 (“LGMG”) (each, a “Party” and collectively, the “Parties”), with reference to the following:

RECITALS

WHEREAS, the District is a Pennsylvania school district which maintains a self-funded health plan; and

WHEREAS, the District desires to provide Eligible Persons (hereinafter defined) with access to an on-site primary care health center (the “Health Center”); and

WHEREAS, LGMG is a multispecialty physician practice; and

WHEREAS, the District desires to engage LGMG to provide the health services at the Health Center in order to improve quality of care for Eligible Persons (as defined below) and to better manage its growing health plan costs; and

WHEREAS, the District and LGMG desire to enter into this Agreement to provide a full statement of their understanding.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises and agreements contained herein, and intending to be legally bound, the above recitals are hereby incorporated into this Agreement and the parties agree as follows:

1. Definitions. Capitalized terms not defined in this Section 1 or elsewhere in this Agreement shall have the meanings ascribed to such terms under HIPAA (defined in this Section 1).

“Applicable Law” or “Applicable Laws” means all federal, state, county, or municipal laws, ordinances, rules, regulations, directives, orders, and/or requirements now in force or which may hereafter be in force.

“Business Records” means information created, received, maintained or transmitted by LGMG pursuant to this Agreement. “Business Records” do not include medical records or documentation required to be created or maintained by a physician or other provider of health care services pursuant to applicable medical or health care licensure requirements (hereinafter referred to as “Medical Records”).

“Census” means the most recent listing of Eligible Persons provided by the District to LGMG.

“District’s Plan” means the health benefit plan established and controlled by the District through which the District provides benefits for Covered Services to an Eligible Person.

“District’s Plan Representative” means the designated individual or individuals authorized to create, receive, maintain and/or transmit Protected Health Information in accordance with HIPAA and the District’s Plan and whose designation and contact information is provided by the District to LGMG in writing.

“Eligible Dependent” means a dependent of an Eligible Employee who is entitled to the benefits payable under the provisions of the District’s Plan by virtue of having met the definition of an Eligible Dependent under the eligibility requirements of the District’s Plan.

“Eligible Employee” means an individual who is an active employee of the District and enrolled in the District’s Plan as per the District’s most recent Census.

“Eligible Person” means an individual who is either an Eligible Employee or an Eligible Dependent.

“Equipment” means all medical and non-medical equipment, furnishings, and instruments reasonably required in connection with the provision of services at the Health Center, excluding the IT Equipment.

“Health Center” means the primary care health center to be located at 1565 Kauffman Road, Landisville. The official name of the Health Center shall be **Lancaster General Health at Hempfield School District**.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, P.L. 104-191, as amended by the Health Information for Economic and Clinical Health Act, along with regulations promulgated by the Secretary of the Department of Health and Human Services at 45 C.F.R. Part 160, Subparts A, B, C, and D, and 45 C.F.R. Part 164, Subparts A and C, as same may be amended from time to time.

“IT Equipment” means any hardware, computers, monitors, and other electronic information communication and storage technology and related equipment, including, without limitation, the equipment set forth on Exhibit A hereto, required for operation of the Health Center.

“Non-Physician Licensed Personnel” means individuals employed by or contracted with LGMG who are licensed in accordance with applicable Pennsylvania law to provide health care services to patients at the Health Center, but who are not licensed physicians.

“PMPM Fee” means the per member per month fee for the applicable calendar year. The PMPM Fee shall be reset each calendar year effective January 1, 2018 as provided in Section 8 below.

2. Term.

2.1 Initial Term and Renewals. The initial term of this Agreement will be for a period commencing on the Effective Date and ending five (5) years after the Commencement Date (hereinafter defined) (the “Initial Term”). Upon the expiration of the Initial Term, this Agreement will automatically renew for successive one-year terms (each a “Renewal Term”), unless either Party declines

renewal by providing the other Party with written notice ninety (90) days prior to the end of the Initial Term or the end of any Renewal Term, or this Agreement is otherwise terminated in accordance with the terms hereof. The Initial Term, together with any Renewal Term, may hereinafter be referred to individually and collectively as the “Term.”

2.2 Commencement Date. The term “Commencement Date” as used herein shall mean the date on which the Health Center is available for use by Eligible Persons as indicated by written notice from LGMG to the District, which shall be subject to the following conditions:

2.2.1 the District shall provide the first Census to LGMG;

2.2.2 LGMG shall contract with or hire physicians, midlevel providers and other staff in accordance with Section 3 of this Agreement;

2.2.3 the Health Center Location and all renovations shall be complete and the Parties shall enter into the License as hereinafter defined and in accordance with Section 5.1, below;

2.2.4 the District shall purchase the medical and non-medical Equipment, and LGMG shall purchase the initial Equipment, as set forth in Section 5.2 below;

2.2.5 LGMG shall purchase the Supplies and the IT Equipment as set forth in Sections 5.3 and 5.4 below;

2.2.6 The Parties shall agree in writing on the first Annual Budget (as such term is defined in Section 8.1.1) for the Health Center, as contemplated in Section 8.2, below;

2.2.7 The Parties shall procure and maintain all insurances necessary to operate the Health Center, pursuant to Section 12, below;

2.2.8 LGMG shall, pursuant to Section 4.2, below, obtain all licenses, certifications and other approvals required by Applicable Law for the Health Center to provide the services set forth in this Agreement; and

2.2.9 The District and LGMG shall fulfill any other requirement, as reasonably determined by LGMG and the District or required by Applicable Law, for the Health Center to become operational or useable by Eligible Persons.

2.3 Targeted Commencement Date. The Parties currently anticipate the full operation of the Health Center shall commence on April 1, 2016, or earlier if facility and staffing ready to support operation.

### 3. Professional Medical Services.

3.1 Professional Medical Services. LGMG shall provide or arrange for the provision of professional medical and other healthcare services at the Health Center as set forth more fully in **Exhibit A** in accordance with Applicable Law.

3.2 Health Center Operating as Primary Care Medical Office. In providing services under this Agreement, LGMG represents and warrants that it will at all times operate or arrange for the operation of the Health Center as a primary care medical office.

3.3 Providers to be Supplied by LGMG. LGMG represents and warrants that it will provide professional medical services through the use of one or more of its employed physicians or physicians with whom LGMG has independently contracted to render professional medical services at the Health Center (each, a “Physician” and collectively; “Physicians”) and Non-Physician Licensed Personnel (collectively, “Providers”). LGMG will be responsible for providing and arranging for all Providers in accordance with the staffing plan set forth on **Exhibit A**.

3.4 LGMG Responsible for Supervision of Medical and Healthcare Services. LGMG will be solely responsible for the supervision of all medical services and healthcare services rendered at the Health Center. LGMG, through the Providers, will be solely responsible for all clinical decision-making regarding all patients of the Health Center and shall exercise medical judgment without influence from any individuals who are not Providers acting in accordance with Applicable Law.

3.5 Representations of LGMG Regarding Providers. LGMG represents and warrants, with respect to each Provider, that the following statements are true and correct as of the Effective Date and shall remain true and correct with respect to each Provider throughout the duration of the Term (as appropriate):

3.5.1 Licensed. Each Provider is duly licensed to practice in the Commonwealth of Pennsylvania.

3.5.2 Good Standing. Each Provider is in good standing with the Provider’s applicable Commonwealth of Pennsylvania licensing board (that is, the State Board of Medicine, the State Board of Osteopathic Medicine, or the State Board of Nursing (as the case may be)).

3.5.3 Board Certified. Each Physician is Board Certified or Board Eligible in family practice or in internal medicine.

3.5.4 DEA Permit. Each Provider, where permitted by Applicable Law, maintains a Federal Drug Enforcement Agency (“DEA”) Controlled Substances Registration Certificate without restrictions (and all other narcotics and controlled substances registration numbers) and all state certifications required by Applicable Law to prescribe controlled substances pursuant to this Agreement.

3.5.5 Dispensing License. Provider, where permitted by Applicable Law, will maintain any dispensing or similar license or certification required to prescribe and/or dispense drugs to patients of the Health Center pursuant to Applicable Law.

3.5.6 Best Practices. Each Provider shall render professional services pursuant to this Agreement consistent with the standards of acceptable medical, nursing, or other healthcare practice, as applicable, embraced in the medical, nursing, or other healthcare community in the Commonwealth of Pennsylvania.

3.5.7 Sanctioned Person. None of the Providers are and have never been a “Sanctioned Person” within the meaning of Section 1128(b) of the Social Security Act, and are not and have never been subject to any federal or state investigation which, if

determined adversely with respect to such individual, would cause such individual to be a “Sanctioned Person.”

3.5.8 Pennsylvania Child Protective Service Law and Criminal Background Check. For each Provider and any person employed or contracted with LGMG to render services at the Health Center, LGMG shall obtain criminal background checks and child abuse clearances as required by the Commonwealth of Pennsylvania Child Protective Services Law (23 Pa.C.S.A. §6354 et seq) and the Pennsylvania Public School Code of 1949 (24 P.S. §1-111) and conduct employment history reviews as required by the Pennsylvania Public School Code of 1949 (24 P.S. §1-111.1), all as the same may be amended from time to time. LGMG shall thereafter obtain all necessary certifications and conduct all necessary reviews as required by the Pennsylvania Child Protective Services Law.

3.6 Qualifications of Providers. LGMG shall provide in writing to the District the names, state license numbers, DEA registration numbers, applicable state registration numbers, dispensing license numbers, and specialty(ies) of practice of each Provider rendering services on behalf of LGMG (the “Provider Information”) prior to such Provider rendering services pursuant to this Agreement and promptly upon request by the District at any time during the Term. LGMG shall also promptly provide the District with written notice in the event that the Provider Information changes, at any time and for any reason. LGMG represents and warrants that the Provider Information provided to the District shall be true, correct and current at all times.

3.7 Compliance With Physician Anti-Referral/Anti-Kickback Laws. LGMG shall compensate its Physician employees and all other individuals or entities with whom it contracts only in a manner that complies with all federal and state requirements and restrictions governing physician referrals (collectively, the “Physician Anti-Referral Laws”) and with any and all federal and state anti-kickback statutes (collectively, “AKS”). Accordingly, LGMG represents and warrants that all compensation paid to its Physicians will be fair market value and will not take into account the value or volume of referrals of “designated health services” as defined under the Physician Anti-Referral Laws or other business generated by its Physicians for any referral specialist, or any hospital or other healthcare facility. In addition, LGMG shall ensure that any referrals of Medicare and/or Medicaid patients by Physicians will comply with any and all Applicable Laws, including, but not limited to AKS and the Physician Anti-Referral Laws.

3.8 LGMG Appointment of Medical Director. LGMG will appoint a Physician employed by or contracted with LGMG to serve as the Medical Director for the Health Center. Such Medical Director may or may not be located on site at the Health Center, but will at all times be employed by or contracted with LGMG. The Physician(s) selected as Medical Director(s) of LGMG must meet the requirements of Section 3.5 hereof. The Medical Director will be responsible for patient care management, and will serve as the primary liaison with the District with respect to the operation of the Health Center and shall perform all services required of the Medical Director in accordance with Applicable Law.

3.8.1 Duties of Medical Director. The Medical Director’s duties shall include, but shall not be limited to, the following: (i) developing and overseeing utilization review, quality control, quality assurance, and quality improvement programs for use at the Health Center; (ii) serving as the primary liaison with specialist physicians to whom LGMG or Providers refer patients of the Health Center for specialty services which LGMG does not provide at the Health Center, and the District on matters regarding patient complaints, specialist referral authorizations, and quality of care provided at the

Health Center; (iii) ensuring day-to-day management and supervision of the professional medical aspects of the medical practice conducted by LGMG and/or Providers at the Health Center; and (iv) physician staffing, recruiting, and credentialing and clinical supervision of non-physician licensed personnel.

3.9 Standards of Performance. LGMG represents and warrants that all services to be provided under this Agreement will be performed in a professional, competent and timely manner by appropriately qualified Providers in accordance with the provisions of this Agreement, consistent with professional medical quality and ethical standards prevailing in the community, and in accordance with Applicable Law.

3.10 Drugs and Medications. All Providers, duly qualified and licensed under Applicable Law, may prescribe and dispense pre-packaged prescription medicines and drugs to patients of the Health Center, as such Providers deem medically necessary. LGMG may purchase, and Physicians may dispense, prescription drugs, medications, and controlled substances, provided that all such drugs, medications, and controlled substances are purchased directly by LGMG, and provided that at all times the LGMG maintains custody of, and stores such prescription medications and drugs in accordance with Applicable Law. LGMG shall be responsible for all inventorying and reordering of such drugs or medications and applicable recordkeeping requirements. Those medicines and drugs to be dispensed at the Health Center are listed in **Exhibit A**.

#### 4. LGMG to Provide Management Services.

4.1 Management Services. LGMG shall provide management services for the Health Center, including all administrative, clerical and support staff functions, and all other necessary or appropriate non-medical services relating to the operation of the Health Center (“Management Services”), which shall include, without limitation, the following:

4.1.1 Scheduling. LGMG shall schedule the appointments for all Eligible Persons at the Health Center during the hours of operation for such Health Center.

4.1.2 Policies. LGMG shall develop and implement written policies and procedures relative to the operation and management of the Health Center. All policies and procedures related to clinical practice, quality assurance and similar issues affecting the practice of medicine at the Health Center shall be developed solely by LGMG.

4.1.3 Informational Materials. The parties shall work together to prepare and each party shall approve, informational materials for distribution to Eligible Persons to promote the medical services and other services rendered at the Health Center.

4.1.4 Laundry and Other Services. LGMG shall furnish or arrange for all laundry, linens, stationery, forms, medical and office supplies, postage, duplication services, printing services, routine medical waste disposal services, infectious medical waste disposal services, and any services of a similar nature which are reasonably necessary and appropriate for the day-to-day operation of the Health Center. The District shall furnish or arrange for all janitorial services and disposal of non-medical waste and recyclables as reasonably necessary and appropriate for day-to-day operation of the Health Center.

4.1.5 Bookkeeping and Accounting Services. LGMG shall provide the bookkeeping, accounting, and financial services, in accordance with generally acceptable



accounting principles where applicable, necessary or appropriate for the efficient and proper operation of the Health Center, including, without limitation:

4.1.6 Eligible Person Encounter Documentation. As noted below in Section 8.4 of this Agreement, neither the District, LGMG, nor Provider shall bill any Eligible Person or cause any person or entity to bill an Eligible Person for services or supplies provided at the Health Center. LGMG and the District will mutually agree upon reports to be provided by LGMG regarding utilization of the Health Center. Such reports will be provided to the District's Plan Representative on a monthly basis, and within twenty (20) days after the end of each month.

4.1.7 Reports and Information. From time to time, as permitted by Applicable Law, including, but not limited to, HIPAA, LGMG shall provide upon request to the District's Plan Representative such other reports and information pertaining to operations of the Health Center as may be reasonably requested by the District.

4.1.8 Compliance with Billing and Coding Requirements. LGMG has in place a written regulatory compliance plan (as defined by national and state standards relating to the coding and billing of medical care and as defined for Medicare and Medicaid programs relating to Section 1877 of the Social Security Act (42 U.S.C. §1395nn), also known as the "physician self-referral law", and the Anti-kickback Statute (42 U.S.C. §1320a-7b(b)).]

4.1.9 Business Records Maintenance. LGMG shall be responsible for the maintenance, custody, supervision, privacy and security of all Business Records. Medical Records shall be maintained, supervised, and secured in accordance with Section 7, below.

4.1.10 Wellness Services. LGMG shall provide or arrange to provide for wellness services as mutually agreed by the Parties, which services shall be in addition to the services set forth in **Exhibit A**. Such services shall be outlined in a separate written Statement of Work ("SOW") mutually agreed to and executed by the Parties to be attached as a schedule to **Exhibit A** ("Wellness Services"). If any of the Wellness Services includes any clinical or medical services or oversight, such services or oversight shall be performed by applicable personnel in accordance with Applicable Law. To the extent mutually agreed to by the Parties and set forth in a SOW attached as a schedule to **Exhibit A**, wellness education may be provided at the Health Center or from other locations remotely, which may include, without limitation, wellness coaches or nurse educators providing the wellness services via telephone or secure video conferencing as permitted by Applicable Law. All fees and costs relating to the Wellness Services shall be negotiated in good faith between the Parties and documented in an SOW attached as a schedule to **Exhibit A** prior to the District incurring any costs or fees related thereto.

## 5. Health Center Location, Equipment, Supplies, Software, Hardware, Drugs and Medications.

5.1 Health Center Location. Pursuant to that certain Medical Office License Agreement between the Parties dated as of even date herewith ("License Agreement"), the District shall permit LGMG use the medical office space delineated in the License Agreement for the operation of the Health Center (the "Health Center Location"). The License Agreement is attached hereto as **Exhibit B** and made a part hereof. Pursuant to the License Agreement, LGMG will undertake the Initial Alterations

(as defined in the License Agreement) to prepare and outfit the Health Center for LGMG's use and occupancy, and the District will reimburse LGMG for the Initial Alterations in accordance with the License Agreement.

## 5.2 Equipment.

5.2.1 To the extent permitted by Applicable Law and in accordance with this Section 5, the District shall procure and provide all Equipment. LGMG has assisted the District with identifying the initial list of Equipment to be purchased prior to the opening of such Health Center. The initial list of Equipment to be purchased prior to the opening of the Health Center is set forth in the License Agreement. The initial Equipment shall be purchased by LGMG as set forth in the License, and the District will reimburse LGMG for the cost of the initial Equipment as provided in the License Agreement. Thereafter, LGMG and the District will mutually agree upon any new Equipment which LGMG anticipates will be needed for the Health Center during the upcoming year in connection with the review of the Annual Budget (as defined in Section 8.1.1). LGMG shall have the authority to purchase replacement Equipment without approval of the District in amounts of not more than \$2,500.00 annually. The District will reimburse LGMG for such replacement purchases.

5.2.2 Repair and Maintenance of Equipment. LGMG shall maintain and repair all Equipment at the Health Center in a manner that fully complies with all Applicable Laws, including, but not limited to, HIPAA security requirements.

5.2.3 Title. Title to Equipment shall at all times remain with the District.

5.2.4 Maintenance and Inventory of Equipment. Subject to Section 5.2.2 above, LGMG shall maintain Equipment according to the standards appropriate for each class or category of Equipment and in compliance with the instructions from the original supplier of such Equipment.

## 5.3 Supplies.

5.3.1 LGMG Shall Provide Supplies. To the extent permitted by Applicable Law, LGMG shall procure and provide all medical and non-medical supplies ("Supplies") that are reasonably required in connection with the provision of services to Eligible Persons at the Health Center. LGMG and the District will mutually agree upon an annual operating budget for the Health Center as set forth in Section 8 below. LGMG shall be permitted to purchase Supplies as necessary provided such purchases are within the mutually agreed upon budgeted amount for Supplies. In the event the need for Supplies exceeds the budgeted amount, LGMG shall meet with the District to discuss the additional need. To the extent Applicable Law requires, LGMG shall cause Providers to select the medical Supplies. To the extent Applicable Law requires that Provider make all final decisions concerning the medical Supplies to be used at the Health Center, LGMG shall make recommendations to the Providers concerning such medical Supplies and shall cause Providers to make all final decisions concerning the purchase and use of such medical Supplies, subject, however, to the budget process described herein.

5.3.2 Storage. LGMG (or the Provider if required by law) shall be responsible for the proper storage and maintenance of all Supplies at the Health Center in a manner that fully complies with Applicable Laws and HIPAA security requirements.



5.3.3 Title. Title to any Supplies shall remain at all times with LGMG, including all medication and drugs as outlined in Section 5.5 of this Agreement. LGMG represents and warrants that title to all applicable Supplies shall be free and clear of all liens, security interests and encumbrances at the time that the District makes payment therefor.

5.4 IT Equipment. LGMG shall procure, provide, maintain and repair any IT Equipment in a manner that fully complies with Applicable Laws and HIPAA security requirements. LGMG shall make available the software necessary to operate the electronic health record at the Health Center. Title to the IT Equipment shall remain with LGMG. On a monthly basis the District shall pay LGMG the following IT service fees for the maintenance of the IT Equipment and associated software: (i) a fixed IT service fee which for calendar year 2016 shall be \$1,175.00 per month; and (ii) a software utilization fee calculated by multiplying the total number of visits provided at the Health Center during the applicable month by a per visit rate, which for calendar year 2016 shall be \$5.31. The fixed IT service fee monthly payment shall be adjusted each January 1 for the upcoming calendar year by an increase of three percent (3%). LGMG shall submit an invoice to the District no later fifteen days after the end of each calendar month detailing the IT fee amounts due LGMG for the applicable month. The District shall remit payment to LGMG within fifteen days of receipt of the invoice. The IT service fee is in addition to the PMPM Fee and the Licensor's Contribution (as defined in the License Agreement) under the License Agreement.

5.5 Drugs and Medications. LGMG shall require Providers to prescribe and dispense prescription medicines and drugs to Eligible Persons accessing services at the Health Center as Providers determine to be medically necessary and within the scope described in **Exhibit A**. To the extent allowed by Applicable Law, LGMG shall purchase, and Providers may dispense, prescription drugs, medications, provided that all such drugs, medications, are purchased directly by LGMG, and provided that at all times Providers maintain custody of, and stores such prescription medications and drugs in appropriately locked and secured cabinets or lockers located on the premises of the Health Center in accordance with Applicable Law. LGMG will cause Provider to comply with all Applicable Laws regarding the purchase, storage, handling and dispensing of drugs and medications.

## 6. Health Center Hours; Exclusive Use of Health Center; Referrals

6.1 Hours of Operation and Call Coverage. LGMG shall require all professional medical services rendered at the Health Center pursuant to this Agreement to be provided during the hours of operation, and in accordance with call coverage, as set forth in **Exhibit A** for the Health Center, which may be amended from time to time in writing by mutual agreement between the Parties. LGMG shall ensure that the Eligible Persons have access to the Providers during the hours of operation of the Health Center and shall make commercially reasonable efforts to accommodate walk-in and non-scheduled appointments for Eligible Persons during the hours of operation of the Health Center.

6.2 Exclusive Use of Health Center by Eligible Persons. Only Eligible Persons shall be permitted to obtain services at the Health Center. The District shall use commercially reasonable efforts to ensure that the Census provided to LGMG contains accurate information regarding the eligibility status of each individual listed. Prior to providing services to an individual at the Health Center, LGMG shall request a form of identification from the individual and then check the most recently received Census to determine whether the individual is an Eligible Person. LGMG shall direct any questions regarding an individual's eligibility to receive services at the Health Center as an Eligible Person to the District's Plan Representative or the District's Plan Representative's designee.

6.3 Referred Services. For purposes of this Section, “referral” shall mean the act by a Provider providing services at a Health Center of identifying another health care provider and communicating information or a recommendation to a patient about that provider, as distinguished from a Provider exercising Provider’s professional judgment with respect to the diagnosis or treatment of a patient. Providers providing services at the Health Center shall exercise their professional judgment when referring patients for healthcare services. Neither LGMG nor the District will interfere with the professional judgment of the Providers at the Health Center in making such referrals. The District acknowledges and agrees that LGMG will have no responsibility or liability with respect to services provided by such healthcare providers. Notwithstanding the foregoing, LGMG agrees that, with respect to clinical laboratory specimens drawn at the Health Center for which testing is required by an off-site clinical laboratory, LGMG shall send such specimens to a clinical laboratory that participates in the District’s network unless referral to another clinical laboratory is preapproved by the District in writing.

7. Medical Records.

7.1 Medical Records Maintenance and Ownership. Medical Records for all Health Center patients will be owned by LGMG or the patient in accordance with Applicable Law. The maintenance, custody, supervision, and security of Medical Records relating to the Eligible Persons receiving services at the Health Center shall be the responsibility LGMG. The District shall not interfere with maintenance, custody, supervision, and storage of such Medical Records. Upon termination of this Agreement, all Medical Records will remain the responsibility of LGMG. LGMG shall at all times comply with all Applicable Laws regarding the maintenance, use and/or disclosure of health information and shall cause Physicians to comply with all such Applicable Laws during and after the term hereof.

7.2 Confidentiality of Medical Records. Each Party shall hold all information relating to the Medical Records in accordance with Applicable Law, and each Party shall instruct its personnel, contractors and agents to keep confidential any information relating to Eligible Persons accessing services at the Health Center. Each Party shall train its personnel to comply with all Applicable Laws relating to the confidentiality of such medical records, including, but not limited to, HIPAA.

7.3 Transfer of Medical Records. Upon the termination of this Agreement, a Provider employed by or under contract with LGMG that has rendered services to Eligible Persons at a Health Center may continue to provide services to such Eligible Persons and, at the direction of any such Eligible Person, LGMG shall transfer that Eligible Person’s Medical Records to the new physician or provider assuming care of the Eligible Person upon receipt of a valid medical record transfer authorization received from the Eligible Person in accordance with Applicable Law.

8. Budget and PMPM Fees

8.1 Establishment of Initial Budget and Annual Budget.

8.1.1 Agreement on Initial and Annual Budget. Prior to, and as a precondition for, opening a Health Center, LGMG and the District shall agree on an annual budget to cover the anticipated cost of operating the Health Center for the two-year period commencing January 1, 2016 (the “Initial Budget”), prorated to actual opening day of clinic operation. The Initial Budget and each subsequent Annual Budget (as hereinafter defined) shall include a breakdown of the costs and expenses used to calculate the PMPM Fee. The Initial Budget and subsequent Annual Budget shall not include the initial start-up costs of the Initial Alterations and the initial Equipment, and shall not include the IT Equipment fee set forth in Section 5.4. The operating budget used to calculate the PMPM Fee for each calendar year after the first two-year period will be referred to as the

“Annual Budget.” At least sixty (60) days prior to January 1, 2018 and thereafter at least sixty (60) days prior to each following calendar year, LGMG shall present the District with a draft of the Annual Budget for the following calendar year. The Annual Budget will address potential changes in the operations of the Health Center, including any changes in the hours of operation, changes in services offered, changes in staffing, any additional locations, and other matters pertaining to the operation of the Health Center.

8.1.2 Three Percent Adjustment to Annual Budget. Effective beginning with calendar year 2018, the Annual Budget for each calendar year will include an adjustment to each category of expense of three percent (3%) above the Actual Costs (as defined in Section 8.4) incurred by LGMG during the immediately preceding calendar year. LGMG shall document Actual Costs for the prior calendar year by March 1 of the subsequent calendar year, and the Annual Budget shall be adjusted retrospectively to January 1 to reflect such Actual Costs and the corresponding 3% increase.

8.1.3 Budget Mediation. If the parties are unable to reach agreement on the Annual Budget for the following calendar year, the parties agree that either party may initiate mediation of the issue in the Commonwealth of Pennsylvania. Until the resolution of the mediation, the Annual Budget for the following calendar year will be the amounts set forth in the Initial Budget or the Annual Budget for the previous calendar year, increased or decreased in accordance with the most recently published change in the Consumer Price Index (Medical Care, Not Seasonally Adjusted) for the preceding twelve (12) months published by the United States Department of Labor.

8.1.4 Revisions. The Initial Budget and the Annual Budget will be revised by the parties from time to time to reflect increased or decreased costs incurred by LGMG and/or the Providers. In furtherance of and without limiting the foregoing, the parties acknowledge and agree that the Initial Budget or the Annual Budget will be revised to account for cost increases or decreases to the extent that there are material changes in staffing, increases or decreases in the number of patients utilizing the Health Center, or changes to expand or contract the hours of operation. The parties agree to work together in good faith to revise the Initial Budget or the Annual Budget to account for such changes and increased or decreased costs. In the event that the District requests services outside the scope of those services described in Exhibit A, LGMG and the District will negotiate in good faith to develop an additional services agreement to address those services.

8.1.5 PMPM Fee. Subject to reconciliation in accordance with Section 8.4 below, for calendar years 2016 and 2017, LGMG agrees to provide the professional medical services described in **Exhibit A** for a PMPM Fee of twenty six dollars and twenty five cents (\$26.25) based on the January 1, 2016 Census (for calendar year 2016) and based on the January 1, 2017 Census (for calendar year 2017). Subject to reconciliation in accordance with Section 8.4 below, as of 2018, the PMPM Fee will be annually adjusted as set forth in Section 8.1.1. above and the PMPM Fee to be paid for each such calendar year shall be based on the Census as of January 1 of that year.

8.2 Provision of Census. No later than the third (3rd) business day of each calendar month, the District will provide LGMG with a Census for the applicable month to be used by LGMG for verifying eligibility of individuals seeking services at the Health Center.

8.3 Payment of PMPM Fees. No later than the tenth (10<sup>th</sup>) business day of each calendar month, the District will remit to LGMG the fees for the then-current calendar month based on the applicable PMPM Fee.

8.4 Reconciliation of PMPM Fees to Actual Costs. No later than March 1 of a calendar year, LGMG shall reconcile the total PMPM Fees paid by the District to LGMG during the prior calendar year with its documented actual costs incurred in connection with each expense item included in the Initial Budget or Annual Budget, as applicable (“Actual Costs”). In the event LGMG’s Actual Costs during the prior calendar year are less than the total PMPM Fees paid by the District in that year, LGMG shall remit the difference to the District no later than April 1 of the subsequent calendar year. For calendar years 2016 and 2017, if LGMG’s Actual Costs for provision of services at the Health Center exceed the total PMPM Fees for the applicable year, LGMG shall bear the risk of these additional costs, and no additional payment shall be due from the District to LGMG. Effective beginning with calendar year 2018, if LGMG’s Actual Costs for the provision of services at the Health Center exceed the total PMPM Fees for the applicable year, the District will pay LGMG the difference no later than April 1 of the subsequent calendar year.

8.5 No Billing of Eligible Persons. The District and LGMG acknowledge and agree that Eligible Persons shall not be charged any copayments or other amounts for services. **LGMG and the District shall not, and LGMG shall cause Provider to not, bill any Eligible Persons or cause any person or entity to bill an Eligible Person for services provided under this Agreement.**

8.6 Books and Records; Right to Audit. Upon the District’s written request, LGMG shall provide the District with information and calculations related to services rendered by LGMG and supporting any invoices related to Actual Costs, PMPM Fees, and any related expenses or receipts. The District shall have the right, upon reasonable advance notice to LGMG, to have an independent certified public accounting firm mutually approved by both parties, subject to an appropriate confidentiality agreement and any LGMG third party confidentiality obligations, audit, review and copy, during normal business hours, with such review being limited to the information directly related to Actual Costs, charges incurred in connection with any invoices submitted by LGMG, and any and all PMPM Fees and reimbursements owed to LGMG in order to allow the District to determine the accuracy of such calculations and invoices. The cost of any such audit shall be borne solely by the District; provided, however, that if the results of the audit show that LGMG has charged the District more than five percent (5%) of the actual amount owed by the District for the invoices or has overstated Actual Costs by more than five percent (5%), then LGMG shall reimburse the District for the reasonable cost of such audit. If the audit indicates an overpayment by the District, then LGMG shall pay to the District the applicable refund and/or payment in a single lump-sum payment within thirty (30) days after LGMG receives such audit results in the form and substance reasonable satisfactory to LGMG that substantiates such over charge. The District shall be permitted to conduct one audit per contract year of the Term, upon the termination or expiration of this Agreement, and upon written notice to LGMG in the event the District has a good faith belief that the invoices issued by LGMG are inaccurate. LGMG shall use best efforts to maintain documentation sufficient to support the invoices submitted by LGMG to the District until the final audit(s) is completed, or such longer period as required by Applicable Law. This Section 8.6 shall survive the expiration or termination of this Agreement.

## 9. Relationship of the Parties.

9.1 Independent Contractors. The District and LGMG are independent contractors to one another, and as such each Party will remain professionally and economically independent of the Party. LGMG and the District are not, and shall not be deemed to be, joint venturers, partners, or employees of each other. The District will not have any authority to bind LGMG and LGMG has no

authority to bind the District. The District shall not materially interfere with the business operations of LGMG, nor otherwise control or direct the methods by which LGMG and its employees and contractors perform their duties and obligations arising hereunder, except as expressly provided herein.

9.2 No Withholding. LGMG acknowledges and agrees that the District will not withhold from the payments due to LGMG under this Agreement any sums for income tax, unemployment insurance, social security or any other withholding; and LGMG shall be solely responsible for the payment of same. The District shall retain its own accountant for all tax preparation and filings relating to this Agreement. LGMG shall provide to the District, within thirty (30) days of receiving a written request from the District, information reasonably requested by the District for the District to complete and file a Form 5500 with the United States Department of Labor in a timely manner.

10. Confidentiality. The Parties expressly acknowledge that during the Term of this Agreement, each Party and its directors, officers, employees, and agents and such Party's respective affiliates and their respective directors, officers, employees, and agents (collectively, "Representatives"), may have access to trade secrets, proprietary information and confidential information regarding the transactions between the Parties, LGMG's business, the District's business and/or the activities of the Parties including, but not limited to, patient volumes, the names and identities of physicians and other healthcare professionals, ideas, know-how, technology, inventions, business plans, strategic plans, marketing plans, policies, processes, and methods of doing business, and other non-public information (the "Confidential Information"). For purposes of this Section 10, Confidential Information shall not include Protected Health Information, which shall be protected in accordance with Applicable Law. The Parties expressly agree that both during the Term and after the expiration or termination of this Agreement, each Party and its Representatives will hold any and all Confidential Information in strict confidence and will protect and preserve the confidential and proprietary nature of all Confidential Information with the same degree of care used by such Party to protect its own information of a like nature, and in all events using no less than reasonable care. Each Party agrees that it will not disclose Confidential Information to any of its Representatives unless such person has a bona fide need to know the information to facilitate the purpose of this Agreement or with respect to the internal operations of the Party, and provided that such person is informed of the Party's confidentiality obligations hereunder and agrees to obligations no less stringent than those contained herein. Each Party will be responsible for any breach of this Agreement by any of its Representatives. Each Party will not disclose Confidential Information to any other third party without the express prior written consent of the other Party. The confidentiality agreement set forth in this Section will not apply to information that a Party demonstrates by contemporaneous written records (i) was publicly available at the time of disclosure by such Party or became publicly available other than as a result of any act or omission on the part of such Party; or (ii) was legally disclosed to such Party by a third party that owes no obligation of confidentiality to the other Party or its affiliates or to LGMG or its affiliates, as applicable, or (iii) is developed by a Party independently without reference to the Confidential Information. In the event a Party is requested or compelled by a court, state agency or other legal mechanism or entity to disclose a copy of this Agreement, any Confidential Information, or the results of the services performed under this, the Party receiving such request or order shall notify the non-receiving Party promptly upon receiving such request or order so as to allow the non-receiving Party to take such legal steps as the non-receiving Party deems necessary, in its sole discretion, to protect such information. Each Party shall comply with all Applicable Laws concerning confidentiality of all medical records. Each Party understands, acknowledges and agrees that in the event of a breach or threatened breach of the covenants contained in this Section by a Party, the other Party will suffer irreparable injury for which there may be no adequate remedy at law. Accordingly, such other Party shall therefore be entitled to immediate injunctive or equitable relief from the courts without the necessity of posting bond, and any enforcements of such rights shall not limit any other actions or remedies available to such other Party in law or at equity.



11. Termination.

11.1 Material Breach. In the event of a Party's material breach of a term of this Agreement, the non-breaching Party may terminate this Agreement to the extent such breach is not cured within thirty (30) days of receiving written notice from the non-breaching Party detailing the alleged breach and its intention to terminate this Agreement upon the expiration of such cure period.

11.2 Termination for Bankruptcy. Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party makes an assignment for the benefit of creditors, files a voluntary petition for bankruptcy or reorganization, is adjudicated bankrupt or insolvent or applies for or consents to the appointment of a receiver for it or its property.

11.3 Termination upon Legal Prohibitions of Relationship. In the event that any federal, state, or local law or regulation prohibits the relationship of the Parties as presently structured under this Agreement, the Parties will make a good faith effort to alter their relationship and modify this Agreement to the minimum extent necessary to comply with such law or regulation. If, after diligent good faith efforts by the Parties, the Parties are unable to mutually agree upon such modification within thirty (30) days of the commencement of such efforts, or if such modification is not legally possible, then either Party may terminate this Agreement upon written notice to the other Party.

11.4 Termination Without Cause. Beginning January 1, 2018, notwithstanding any other provision of this Agreement to the contrary, either Party may terminate this Agreement for any reason or for no reason. Should LGMG seek to terminate this Agreement pursuant to this Section 11.4, LGMG must provide at least six (6) months' prior written notice to the District. Should the District seek to terminate this Agreement pursuant to this Section 11.4, the District must provide at least sixty (60) days' prior written notice to LGMG.

11.5 Effect of Termination or Expiration of Agreement. The Parties will be subject to the terms and conditions set forth in this Section upon the termination or expiration of this Agreement.

11.5.1 Liabilities and Obligations upon Termination or Expiration of Agreement. Upon the effective date of the termination or expiration of this Agreement or the License Agreement, LGMG and the District shall have no further obligations under this Agreement, except for the obligations set forth in Section 7 (Medical Records), Section 8 (Operating Budget and PMPM Fees), Section 9 (Relationship of the Parties), Section 10 (Confidentiality), this Section 11.5 (Effect of Termination), Section 12 (Insurance), Section 13 (Indemnification), Section 14 (General Provisions), any provisions of the License Agreement that expressly state they shall survive the termination or expiration of the License Agreement, and any other provisions that, by their terms, are intended to survive the termination or expiration of this Agreement or the License Agreement.

11.5.2 Return of Proprietary Property. During the Term, LGMG shall and the District may, at its sole option, prepare marketing or other proprietary information and materials relating to the Health Center, including, without limitation, information and materials useful in the delivery of the services rendered in accordance herewith for the benefit of the District. The preparing Party owns all rights to such information and



materials, and upon termination or expiration of this Agreement, the non-preparing Party shall immediately discontinue the use of and shall promptly return and/or restore to the preparing Party all originals and copies in the non-preparing Party's possession of all of the preparing Party's property, including all of its information and materials, whether or not covered by copyright, service mark and trademark rights. Such information and materials may include, without limitation, its logo, systems, forms, form contracts, reports, policy manuals, marketing and public relations materials relating to the preparing Party or the management or operation of the Health Center.

11.5.3 Transfer of Data. To the extent that, upon termination or expiration of this Agreement, the District requests any data to be transferred from LGMG to the District, to a new provider, or to patients, the District shall pay the commercially reasonable costs for such data transfer; provided, however, that if this Agreement is terminated by the District under Section 11.1 or 11.2, or if this Agreement is terminated by LGMG under Section 11.4, then LGMG shall pay all costs for such data transfer.

12. Insurance. The District and LGMG shall purchase and maintain all insurance required pursuant to and in accordance with this Section 12. All such insurance shall be with insurance companies licensed and authorized to conduct business in the Commonwealth of Pennsylvania and having a minimum rating of "A.M. Best" and a financial strength rating of at least VII or equivalent coverage through a self insured mechanism. To the extent a type of insurance relates only to a specific Health Center, the responsible party shall cause such insurance to be in place in the applicable limits prior to the applicable Commencement Date for such Health Center.

12.1 General Liability Insurance. During the Term, LGMG and the District, each at their sole cost and expense, will each procure and maintain general liability insurance in limits of at least One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) general aggregate, protecting such Party against claims for bodily injury and/or property damage. Each Party will include the other as an Additional Insured under their respective general liability policies.

12.2 Medical Professional Liability Insurance. During the Term, LGMG shall procure and maintain medical professional liability insurance covering the Providers and other employees providing services at the Health Center in the sum of not less than One Million Dollars (\$1,000,000) per incident, Three Million Dollars (\$3,000,000) annual aggregate or, in all cases such other higher amounts as may be required by Applicable Law. If LGMG procures "claims-made" professional liability insurance, upon any termination or expiration of such coverage, LGMG shall purchase one or more extended reporting endorsements (i.e., tail insurance) extending such professional liability insurance coverage indefinitely for claims brought at any time after the date of the termination or expiration of such original policy or coverage for services rendered during the Term.

12.3 Workers' Compensation Insurance.

12.3.1 During the Term, LGMG, at its sole cost and expense, will procure and maintain in full force and effect workers' compensation coverage for its employees under the workers' compensation laws of the Commonwealth of Pennsylvania, and Employer's liability coverage limits shall be no less than One Million Dollars (\$1,000,000) per occurrence, One Million Dollars (\$1,000,000) per employee for bodily injury or caused by disease, and One Million Dollars (\$1,000,000) aggregate.

12.3.2 During the Term, the District, at its sole cost and expense, will procure and maintain in full force and effect workers' compensation coverage for its employees

under the workers' compensation laws of the Commonwealth of Pennsylvania, and Employer's liability coverage limits of One Million Dollars (\$1,000,000) per occurrence, One Million Dollars (\$1,000,000) per employee for bodily injury or caused by disease, and One Million Dollars (\$1,000,000) aggregate.

12.4 Personal Property Insurance. During the Term, the District, at its sole cost and expense, will insure or obtain insurance for the personal property, including the furniture, fixtures, equipment and supplies located in the Health Center, for the full insurable replacement value of such furniture, fixtures, equipment and supplies. Such insurance will insure against all risk of loss for not less than the full replacement value. Notwithstanding the foregoing, LGMG shall be responsible for and shall pay all costs not covered because of deductibles for loss or damage caused by LGMG's negligence.

12.5 Fire and Premises Insurance. During the Term, the District, at its sole cost and expense, will insure or obtain insurance for the Health Center premises and related buildings in accordance with the License Agreement.

12.6 Loss Payee. The District will include LGMG as a Loss Payee on any "all risk" property policy of the District's, with respect to the Health Center, to the extent of LGMG's interest.

12.7 Notice of Change in Coverage. The insurance coverage required under this Agreement will not be canceled, modified, reduced or otherwise materially changed, except upon thirty (30) days' prior written notice to the non-procuring Party.

12.8 Proof of Insurance. Prior to the Commencement Date, the Parties will furnish each other with Certificates of Insurance for all policies required under this Section 12, as evidence of the insurance coverage to be procured pursuant to this Agreement. On an annual basis, and also at such times as a Party may reasonably request, the Parties will provide each other with Certificates of Insurance to establish that the insurance required pursuant to this Agreement continues to be maintained by the Party providing such Certificate of Insurance, and that such insurance is in full force and effect. Each Party procuring such insurance policies shall ensure that each policy requires at least a thirty (30) day notification period that must be given to the other Party prior to any policy cancellation.

### 13. Indemnification.

13.1 LGMG will indemnify, defend and hold harmless the District, and each of its directors, officers, owners, employees, agents and assigns, from and against any and all third party claims, actions, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and expenses (collectively, "Claims") directly arising out of or resulting from (a) personal injury, death or property damage caused by negligence or willful misconduct of LGMG or its directors, officers, contractors, agents or employees; and (b) any material breach of the terms conditions of this Agreement.

13.2 The District will indemnify, defend and hold harmless LGMG and each of its affiliates and their directors, officers, and employees from and against (a) Claims for personal injury or death or property damage arising out of or resulting from the negligence or willful misconduct of the District or the District's employees; (b) Claims directly resulting from the structure, billing and collection of any and all fees, including, without limitation, billing and collection of fees from patients in connection with HSAs of the District's Plan or coverage under the District's Plan; or (c) any material breach of the terms conditions of this Agreement; provided, however, that (x) nothing in this Agreement shall be considered as a waiver governmental immunity of the District, (y) the District does not waive any immunity or defense as a result of the execution of this Agreement and performance of the functions or

obligations of the District described herein, and (z) nothing herein shall waive or amend any defense the District has under the Pennsylvania Political Subdivision Tort Claims Act.

14. General Provisions.

14.1 Incorporation. The background section of this Agreement, its Exhibits and Schedules, all of which are incorporated into the body of this Agreement as if set forth herein in full, constitute a material part of this Agreement. Unless otherwise expressly stated herein, in the event of a conflict between this Agreement and the Exhibits attached hereto, the order of precedence shall be this Agreement, and then the Exhibits attached to this Agreement.

14.2 Subject Headings. The subject headings of the Sections of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of the provisions of this Agreement.

14.3 Compliance with Law. Each Party agrees to comply with all Applicable Laws, including, without limitation, HIPAA, in the performance of its obligations hereunder and in connection with LGMG's management, use, occupancy and operation of, and services rendered at the Health Center. Nothing in this Agreement shall be construed to require a Party hereto to take any actions or disclose any information in violation of HIPAA or any other Applicable Law.

14.4 Parties. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies on any person other than the Parties and their respective successors and assigns; nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement.

14.5 Binding Agreement; Assignment; Subcontracting. This Agreement will be binding upon, and will inure to the benefit of, the Parties and their respective successors and assigns. No Party may assign this Agreement without the prior written consent of the other Party, and any actions in contravention of this requirement shall be null and void; provided, however, that notwithstanding the foregoing, LGMG will have the right, with the District's prior written consent, to assign this Agreement, or its rights and duties under this Agreement to a company which owns a majority interest in LGMG, to an affiliate, or to a wholly-owned subsidiary corporation or company so long as LGMG enters into an agreement with such company that complies with HIPAA and remains bound by the terms of this Agreement notwithstanding any such assignment. Notwithstanding anything to the contrary contained herein, LGMG may subcontract with any affiliate of LGMG, for the performance of any of its obligations hereunder, provided, however, that LGMG shall remain responsible for the provision of all Services. Any assignment or subcontracting in contravention of this Section 14.5 shall be null and void.

14.6 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained herein, and this Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the Parties, written, oral or otherwise, which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement will be binding on the Parties unless provided in a writing executed by all of the Parties.

14.7 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania and all disputes arising out of or in connection with this Agreement shall be litigated in the state and federal courts located within the Commonwealth of Pennsylvania.

14.8 Equitable Relief. The Parties agree that the remedy at law may be inadequate for a breach of certain provisions of this Agreement. The Parties further agree that either Party may be entitled to an injunction and any other appropriate equitable relief to enforce its rights. Such remedies will be in addition to any and all other remedies which such Party may have.

14.9 No Waiver. A Party's waiver of a breach of any provision of this Agreement does not waive any subsequent breach of the same or any other term or terms of this Agreement by the other Party.

14.10 Severability. If any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, will not be affected and shall be fully enforced.

14.11 Notices. All notices or demands under this Agreement must be in writing and must be served personally, by overnight carrier or by registered or certified mail, return receipt requested, addressed to the other Party at its address set forth below or to such other address or addresses as one Party may provide to the other Party pursuant to this Section 14.11.

<p><b>If to LGMG:</b></p> <p>President  Lancaster General Medical Group  1030 New Holland Avenue  Building 12A, Suite 100  Lancaster, PA 17601</p> <p>With a copy to</p> <p>Margaret Costella  555 North Duke Street, P.O. Box 3555  Lancaster, PA 17604-3555  (717) 544-5860 Phone  (717) 291-9657 Fax  mfcostel@LancasterGeneral.org  <a href="http://www.LancasterGeneralHealth.org">www.LancasterGeneralHealth.org</a></p>	<p><b>If to the District:</b></p> <p>Daniel L. Forry  Chief Operating Officer  Hempfield School District  200 Church Street  Landisville, PA 17538  Phone: 717.898.5570  Fax: 717.898.5584  Email: dan_forry@hempfieldsd.org</p>
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14.12 Authorization. Each of the Parties represents and warrants that it has all requisite power and authority, and has taken all corporate action necessary, to consummate the transactions contemplated by this Agreement and to perform its obligations under this Agreement.

14.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Any counterpart signature transmitted by facsimile or by sending a scanned copy by electronic mail or similar electronic transmission shall be deemed an original signature.

*[signature page follows]*

IN WITNESS WHEREOF, the Parties have duly executed this Agreement effective as of the Effective Date.

LANCASTER GENERAL MEDICAL GROUP

HEMPFIELD SCHOOL DISTRICT

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

1. **Health Center Services.** LGMG shall provide the following professional medical and health care services:

- a. Primary Care Services including:
  - Acute Illness Care
  - Annual Wellness Visits
  - Geriatric Care
  - Point of Care Lab Testing
  - Men's Health
  - Minor Procedures
  - Pediatric Care
  - Preventive Care for All Ages
  - Women's Health
  
- b. Preventive Health Services as follows:
  - weight loss
  - tobacco cessation
  - diabetes counseling
  - hypertension education
  - additional prevention services as mutually agreed to by the Parties.
  
- c. Physicals (e.g. pre-employment, sports for dependent children, and annual)
  
- d. Immunizations as recommended by U.S. Department of Health and Human Services, Centers for Disease Control for adults and children (<http://www.cdc.gov/vaccines/schedules/index.html>), including, but not limited to the following:
  - Ages 0 through 6 years
    - Hepatitis B
    - Rotavirus
    - Diptheria, Tetanus, and Pertussis
    - Haemophilus Influenza type b
    - Pneumococcal
    - Inactivated Poliovirus
    - Influenza
    - Measles, Mumps, Rubella
    - Varicella
    - Hepatitis A
    - Meningococcal
  
  - Ages 7 through Adult
    - Diptheria, Tetanus, and Pertussis



- Human Papillomavirus
- Meningococcal
- Influenza
- Pneumococcal
- Hepatitis A
- Hepatitis B
- Inactivated Poliovirus
- Measles, Mumps, Rubella
- Varicella

- e. Lab draws and electrocardiograms
- f. Care coordination for Eligible Persons with moderate to high health risks
- g. Clinical navigation services for coordination of expanded off-site care
- h. Wellness Services as follows:
  - Health Risk Assessment / Biometric Screenings
  - Additional Wellness services as mutually agreed to by the Parties in the second year of the Agreement.

2. **Medication Formulary.** The following pharmaceuticals shall be made available at the Health Center:

- a. Anti-Infective Agents
  - Azithromycin (Zithromax) 250mg tablets #6
  - Amoxicillin (Amoxil) 500mg capsules #28
  - Amoxicillin (Amoxil) 875mg tablets #20
  - Amoxicillin and Clavulanate (Augmentin) 875-125 mg tablets #20
  - Cephalexin (Keflex) 500mg capsules #28
  - Ciprofloxacin (Cipro) 500mg tablets #14
  - Doxycycline 100mg capsules #20
  - Fluconazole (Diflucan) 150mg tablet #1
  - Nitrofurantoin (Macrobid) 100mg capsules #14
  - Penicillin V Potassium 500mg tablets #24
  - Sulfamethoxazole-Trimethoprim (Bactrim DS) 800-160mg tablets #14
- b. Respiratory Agents
  - Benzonatate (Tessalon perles) 100mg capsules #24
  - Benzonatate (Tessalon perles) 200mg capsules #24
  - Ventolin inhaler 90mcg (60 doses per inhaler)
  - Fluticasone propionate (Flonase) 50mcg/spray nasal spray 16grams #1
- c. Analgesic Agents

- Cyclobenzaprine Hydrochloride (Flexeril) 5mg tablets #30
  - Cyclobenzaprine Hydrochloride (Flexeril) 10mg tablets #30
  - Diclonfenac sodium (Voltaren) 75mg enteric coated tablets #24
  - Naproxen (Aleve) 500mg tablets #30
- d. Endocrine and Metabolic Agents
- Methylprednisolone (Medrol Dose Pack) 4mg tablets #21
  - Prednisone 10mg tablets #10
  - Prednisone 20mg tablets #14
- e. Gastrointestinal Agents
- Ondansetron hydrochloride (Zofran) 4mg tablets #12
  - Ondansetron (Zofran ODT) orally disintegrating tablets #12

**3. Health Center Staff**

- a. Primary Care Physician (.5 full time equivalent (FTE))
- b. Midlevel Provider (Nurse Practitioner) (1.0 FTE)
- c. Certified Medical Assistant / Navigator / Wellness Coach (.9 FTE)
- d. Office Nurse / LPN (.9FTE)

**4. Hours of Operation & Call Coverage:**

<b>Hours of Operation</b>						
<b><u>During School Year (as may be further defined by District)</u></b>						
<u>Sunday</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>
<u>TBD</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>TBD</u>
<b><u>Summer Hours (to be mutually agreed upon by the Parties)</u></b>						
<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>

<b>Call Coverage</b>						
<b><u>During School Year (as may be further defined by District)</u></b>						
<u>Sunday</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>
<u>TBD</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>7am-5pm</u>	<u>TBD</u>
<b><u>Summer Hours (to be mutually agreed upon by the Parties)</u></b>						
<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>

**After Hours Provider On-Call Coverage**

Requests by patients seeking medical advice made via telephone either before or after the scheduled Hours of Operation at the Health Center will be routed to an on-call provider. These on-call providers will primarily be those who staff the Health Center but, on occasion, may include other licensed primary care providers employed by Lancaster General Medical Group. Patients who require in-person medical care either before or after the scheduled Hours of Operation will be directed to the appropriate venue, including, but not limited to, an adjacent LGMG Primary Care Office, an Urgent Care facility or an Emergency Department. Patients who receive care in any of these venues, or who require additional prescription medications or treatments, will be billed in accordance with the terms of the Hempfield School District health insurance plan.

**5. IT Equipment:** LGMG shall provide the following IT Equipment:

- a. 7 PC/monitor/speakers-G
- b. 3 PC/monitor/speakers-M
- c. 10 Brackets for computers
- d. 4 Dragon Mikes
- e. 1 Color printer Admin upstairs
- f. 1 Two drawer printer (doc)

- g. 1 One drawer printer (lab)
- h. 1 Scanners
- i. 1 HP24 swipers
- j. 5 RFIDs
- k. 1 eSig pads
- l. 1 Webcam
- m. 1 Label printers
- n. 1 Phones

**EXHIBIT B**  
LICENSE AGREEMENT

(See Attached)

## MEDICAL OFFICE LICENSE AGREEMENT

THIS MEDICAL OFFICE LICENSE AGREEMENT (this "Agreement") is made and effective as of October 13, 2015 (the "Effective Date"), by and between Hempfield School District, a Pennsylvania school district ("Licensors"), and Lancaster General Medical Group, a Pennsylvania nonprofit corporation ("Licensee"), (each, a "Party" and collectively, the "Parties"). The Parties hereto, for themselves, and their respective successors and assigns, intending to be legally bound, hereby covenant as follows.

1. **LICENSED PREMISES:** Licensors hereby grants to Licensee and Licensee hereby accepts from Licensors the total of 1,356 square feet of space on the first and second floors of the building, located at 1565 Kaufman Road, Landisville, Pennsylvania (the "Building"), as depicted on the floor plans attached hereto and made a part hereof as Exhibit A (the "Premises"), and excluding the basement, attic and storage areas located within the Building.
2. **TERM:**
  - 2.1. INITIAL TERM AND RENEWALS: The initial term of this Agreement shall be for a period commencing on the Effective Date and ending five (5) years after the Commencement Date (hereinafter defined) (the "Initial Term"). Upon the expiration of the Initial Term (the "Fixed Expiration Date"), this Agreement will automatically renew for successive one-year terms (each a "Renewal Term"), unless either Party declines renewal by providing the other Party with written notice ninety (90) days prior to the end of the Initial Term or the end of any Renewal Term, or this Agreement is otherwise terminated in accordance with the terms hereof. The Initial Term, together with any Renewal Term, may hereinafter be referred to individually and collectively as the "Term". This Agreement shall be coterminous with that certain Agreement for Services and Development of Primary Care Health Center by and between Licensors and Licensee, dated of even date herewith (the "Management Agreement").
  - 2.2. COMMENCEMENT DATE: "Commencement Date" as used herein shall have the same meaning as provided for in the Management Agreement.
3. **LICENSE FEE:** The license fee is \$1.00 per year (the "License Fee").
4. **PERMITTED USES:** Licensee shall use and occupy the Premises as a medical clinic servicing Licensors's eligible employees as described in the Management Agreement for uses incidental thereto and for no other purpose.
5. **REQUIRED APPROVALS:** Prior to making any alterations, installations, improvements, additions or other physical changes to the Premises (the "Alterations"), Licensee shall:
  - 5.1. deliver to Licensors detailed plans and specifications (including layout, architectural, mechanical and structural drawings) for each proposed Alteration;



- 5.2. at Licensee's expense, obtain all permits, approvals and certificates required by any governmental authorities; and
- 5.3. furnish to Licensor duplicate original policies or certificates thereof of worker's compensation (covering all persons to be employed by Licensee, and Licensee's contractors and subcontractors in connection with the Alterations) and comprehensive public liability (including property damage coverage) insurance in such form, with such companies, for such periods and in such amounts as Licensor may reasonably require, naming Licensor as additional insured.

Licensor reserves the right to disapprove any plans and specifications in part, to reserve approval of items shown thereon pending its review and approval of other plans and specifications, and to condition its approval upon Licensee making revisions to the plans and specifications or supplying additional information, provided that Licensor shall not unreasonably withhold or condition any such approval.

**6. LICENSEE'S PERFORMANCE OBLIGATIONS:** Licensee shall complete all Alterations (including the Initial Alterations) in accordance with the following:

- 6.1. Licensee shall not make any Alterations without Licensor's prior written consent, which consent shall not be unreasonably withheld or conditioned;
- 6.2. all Alterations shall be performed, at Licensee's sole cost and expense, by Licensee's contractors, subcontractors or mechanics approved by Licensor in writing;
- 6.3. all Alterations shall be made and performed substantially in accordance with the plans and specifications therefor as approved by Licensor and all applicable rules and regulations relating to Alterations;
- 6.4. upon completion of any Alteration, Licensee, at Licensee's expense, shall obtain certificates of final approval of such Alteration required by any governmental authority and shall furnish Licensor with copies thereof, together with the "as-built" plans and specifications for such Alterations;
- 6.5. all materials and equipment to be incorporated in the Premises as a result of any Alterations or a part thereof shall be first quality, and no such materials or equipment (other than Licensee's personal property) shall be subject to any lien, encumbrance, chattel mortgage or title retention or security agreement. Any mechanic's lien filed against the Premises for work claimed to have been done for, or materials claimed to have been furnished to, Licensee shall be discharged by Licensee within fifteen (15) business days after Licensee shall have received notice thereof, at Licensee's sole cost and expense;
- 6.6. all Alteration(s) shall be performed only under the supervision of an independent

licensed architect approved by Licensor; and

- 6.7. Licensee shall be permitted to perform Alterations during the hours of 7 A.M. and 5 P.M. on business days, or at any other time as agreed to in writing by the Licensor, provided that such work shall not interfere with or interrupt the operation and maintenance of the Building or unreasonably interfere with or interrupt the Licensor's use of any of the other areas of the Building or property on which the Building is located.
7. **INITIAL ALTERATIONS:** Subject to Licensee's compliance with Sections 5 and 6 of this Agreement regarding Alterations, the Licensor has approved the alterations specified on Exhibit B to be made by Licensee to prepare the Premises for the Licensee's occupancy (the "Initial Alterations"). The Licensee shall make the Initial Alterations, and the Licensor shall make a financial contribution towards the cost of such Initial Alterations as set forth in Section 9 of this Agreement. The Initial Alterations shall become the property of the Licensor upon Licensor making its financial contribution towards the Initial Alterations as set forth in Section 9 of this Agreement. Any property paid for by the Licensor under the Management Agreement shall remain the property of the Licensor upon the Fixed Expiration Date or the last day of the Renewal Term, as the case may be.
8. **INITIAL EQUIPMENT:** Licensee shall procure and provide the initial medical and non-medical equipment, furnishings and instruments specified on Exhibit C (the "Initial Equipment") in connection with preparing the Premises for the Licensee's occupancy and preparing to commence the provision of services required under the Management Agreement. The Licensor shall make a financial contribution towards the cost of such Initial Equipment as set forth in Section 9 of this Agreement.
9. **ESTIMATED INITIAL COST:** The estimated cost of the Initial Alterations and Initial Equipment is Three Hundred Forty-Five Thousand Dollars (\$345,000.00) (the "Estimated Initial Cost"). Licensor agrees to and shall contribute an amount not to exceed Two Hundred Ninety-Five Thousand Dollars (\$295,000.00) (the "Licensor's Contribution") toward the Estimated Initial Cost. Licensee agrees to and shall contribute a total amount of Fifty Thousand Dollars (\$50,000.00) toward the Estimated Initial Cost (the "Licensee's Contribution"). Licensor shall disburse the Licensor's Contribution to Licensee within sixty (60) days after completion of the Initial Alterations and acquisition of the Initial Equipment, subject to Licensor's verification set forth in Section 10 below.
10. **LICENSOR'S VERIFICATION:** Licensor's obligation to make the Licensor's Contribution shall be subject to Licensor's verification of the total cost of the Initial Alterations and Initial Equipment and receipt of:
  - 10.1. copies of all receipts, invoices and bills for the Initial Equipment acquired and the work completed and materials furnished in connection with the Initial Alterations and incorporated in the Premises which are to be paid from the Licensor's

Contribution or which have been paid by Licensee and for which Licensee is seeking reimbursement;

- 10.2. copies of all contracts, work orders, change orders and other materials relating to the work or materials;
- 10.3. if requested by Licensor, waivers of lien from all contractors, subcontractors and materialmen involved in the performance of the Initial Alterations relating to the Initial Alterations and materials provided; and
- 10.4. a certificate of Licensee's independent licensed architect stating that, in his opinion, the Initial Alterations were completed in a good and workmanlike manner and substantially in accordance with the final detailed plans and specifications for such Initial Alterations, as approved by Licensor.

**11. LIMITATIONS OF LICENSOR'S LIABILITY:** In the event that the amount required to complete the Initial Alterations and to acquire the Initial Equipment is less than the Estimated Initial Cost, the Licensor's Contribution and Licensee's Contribution shall be proportionately reduced. In the event that the amount required to complete the Initial Alterations and acquire the Initial Equipment is in excess of the Estimated Initial Cost, Licensor shall have no further obligation or liability whatsoever to Licensee for disbursement of any amount in excess of the Licensor's Contribution. Any costs to complete the Initial Alterations or acquire the Initial Equipment in excess of the Estimated Initial Cost shall be the sole responsibility and obligation of the Licensee, unless such additional costs are related to changes requested by or due to the fault of the Licensor or some unforeseen/hidden defect in the Premises. Licensee may request additional funds from the Licensor if the additional costs to complete the Initial Alterations are the result of unforeseen circumstances. Licensee must obtain Licensor's consent in writing before undertaking any work Licensee desires reimbursement for in excess of the Estimated Initial Cost, but Licensor shall not be obligated to reimburse Licensee for such additional costs.

**12. LICENSEE'S DELIVERIES:** Within thirty (30) business days after completion of the Initial Alterations, Licensee shall deliver to Licensor general releases and waivers of lien from all contractors, subcontractors and materialmen involved in the performance of the Initial Alterations and the materials furnished in connection therewith, and a certificate from Licensee's independent licensed architect certifying that:

- 12.1. in his opinion the Initial Alterations have been performed in a good and workmanlike manner and substantially completed in accordance with the final detailed plans and specifications for such Initial Alterations as approved by Licensor; and
- 12.2. all contractors, subcontractors and materialmen have been paid for the Initial Alterations and materials furnished through such date.

13. **REPAIRS:** All damage or injury to the Premises or the surrounding property, or to its fixtures, equipment and appurtenances, whether requiring structural or non-structural repairs, caused by or resulting from carelessness, omission, neglect or improper conduct of, or Alterations (including the Initial Alterations) made by, Licensee, Licensee's agents, employees, invitees or licensees, shall be repaired by Licensee at Licensee's sole cost and expense, to the reasonable satisfaction of Licensor. All of the aforesaid repairs shall be of first quality. If Licensee fails after thirty (30) days' notice (or such shorter period as may be required due to an emergency) to proceed with due diligence to make repairs required to be made by Licensee, the same may be made by Licensor at the expense of Licensee, and the expenses thereof incurred by Licensor, with interest thereon, shall be forthwith paid to Licensor as an additional Licensee Fee within thirty (30) days rendition of a bill or statement therefor to Licensee. Licensee shall give Licensor prompt notice of any defective condition on, located in, servicing or passing through the Premises or the surrounding property.
14. **FLOOR LOAD:** Licensee shall not place a load upon any floor of the Premises exceeding the floor load per square foot such floor was designed to carry and which is allowed by law. Licensee shall not move any safe, heavy machinery, heavy equipment, business machines, freight, bulky matter or fixtures into or out of the Building without Licensor's prior consent.

**15. LICENSEE'S COMPLIANCE:**

- 15.1. Licensee, at its sole cost and expense, shall comply with all present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders, extraordinary as well as ordinary, of all governmental authorities now existing or hereafter created, and of any and all of their departments and bureaus, and of any applicable fire rating bureau, or other body exercising similar functions, applicable to Licensee's use of and/or access to the Premises or any portion thereof (the "Requirements").
- 15.2. Licensee shall obtain criminal background checks and child abuse clearances for each contractor and subcontractor working on the Premises as required by the Commonwealth of Pennsylvania Child Protective Services Law (23 Pa.C.S.A. §6354 et seq) and the Pennsylvania Public School Code of 1949 (24 P.S. §1-111) and conduct employment history reviews as required by the Pennsylvania Public School Code of 1949 (24 P.S. §1-111.1), all as the same may be amended from time to time. Licensee shall thereafter obtain all necessary certifications and conduct all necessary reviews as required by applicable law.
- 15.3. Licensee and Licensee's contractors, employees, agents, visitors, invitees and licensees shall comply with all applicable rules and regulations, including, but not limited to, the prohibited activities listed in Hempfield School District Board Policy 707 made a part hereof as Exhibit D (the "Rules and Regulations"). Licensor may at any time or times hereafter adopt new rules and regulations or modify or eliminate existing rules and regulations, provided that they do not unreasonably affect the

conduct of Licensee's business in the Premises except as required by any Requirements.

16. **DAMAGE TO PREMISES:** Any person to whom any property shall be entrusted by or on behalf of Licensee shall be deemed to be acting as Licensee's agent with respect to such property and neither Licensor nor its agents shall be liable for any damage to property of Licensee or of others entrusted to employees of the Licensee, nor for the loss of or damage to any property of Licensee by theft or otherwise. Neither Licensor nor its agents shall be liable for any injury (or death) to persons or damage to property or improvements, or interruption of Licensee's business, resulting from any latent defect in the Premises or on the real property on which the Premises is located. Nothing in the foregoing sentence shall affect any right of Licensor to the indemnity from Licensee to which Licensor may be entitled in order to recoup for payments made to compensate for losses of third parties. Licensor preserves all rights and immunity granted to it under the Pennsylvania Political Subdivision Tort Claims Act.

**17. INSURANCE OBLIGATIONS:**

17.1. Licensee shall obtain and keep in full force and effect:

- 17.1.1. an "all risk" insurance policy for the Alterations, including Licensee's Initial Alterations, during construction and until completion, and for the Initial Equipment stored at the Premises during construction, and for Licensee's personal property at the Premises during construction in an amount equal to one hundred percent (100%) of the replacement value thereof;
- 17.1.2. a policy of commercial general liability and property damage insurance on an occurrence basis, with a broad form contractual liability endorsement; and
- 17.1.3. a policy of workers' compensation coverage for its employees under the workers' compensation laws of the Commonwealth of Pennsylvania, with coverage limits of no less than \$1,000,000 per occurrence and \$1,000,000 in the aggregate.

Such policies shall provide that Licensee is named as the insured. Licensor shall be added as additional insured with respect to the insurance required to be carried pursuant to Section 17.1.1 and Section 17.1.2 above.

Such policy with respect to Section 17.1.2 above shall include a provision under which the insurer agrees to indemnify, defend and hold Licensor harmless from and against, subject to the limits of liability set forth in this Section 17, all cost, expense and liability arising out of, or based upon, any and all claims, accidents, injuries and damages. In addition, the policy required to be carried pursuant to Section 17.1.2 above shall contain a provision that: (i) no act or omission of Licensee shall affect or

limit the obligation of the insurer to pay the amount of any loss sustained; and (ii) the policy shall be non-cancelable with respect to Licensor and Licensor's agents (whose names and addresses shall have been furnished to Licensee) unless thirty (30) days' prior written notice shall have been given to Licensor by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insured and additional insureds.

In addition, upon receipt by Licensee of any notice of cancellation or any other notice from the insurance carrier which may adversely affect the coverage of the insureds under such policy of insurance, Licensee shall immediately deliver to Licensor and any other additional insured hereunder a copy of such notice. The minimum amounts of liability under the policy of insurance required to be carried pursuant to Section 17.1.2 above shall be a combined single limit with respect to each occurrence in an amount of \$1,000,000 per incident and \$3,000,000 in the aggregate for injury (or death) to persons and damage to property, which amount shall be increased from time to time to that amount of insurance which in Licensor's reasonable judgment is then being customarily required by prudent licensors.

17.2. Licensor shall obtain and keep in full force and effect:

- 17.2.1. insurance against loss or damage by fire and other casualty to the Building, including Licensor's completed Alterations, as may be insurable under then available standard forms of "all risk" insurance policies, in an amount equal to one hundred percent (100%) of the replacement value thereof or in such lesser amount as will avoid co-insurance (including an "agreed amount" endorsement);
- 17.2.2. insurance for the personal property, including the furniture, fixtures, equipment and supplies located in the Building, for the full insurable replacement value of such furniture, fixtures, equipment and supplies. Such insurance will insure against all risk of loss for not less than the full replacement value.

Notwithstanding the foregoing, Licensor shall not be liable to Licensee for any failure to insure, replace or restore any Alterations unless Licensee shall have notified Licensor of the completion of such Alterations and of the cost thereof, and shall have maintained adequate records with respect to such Alterations to facilitate the adjustment of any insurance claims with respect thereto. Licensee shall cooperate with Licensor and Licensor's insurance companies in the adjustment of any claims for any damage to the Building or such Alterations.

Licensor shall pay costs not covered because of deductibles. Notwithstanding the foregoing, Licensee shall be responsible and shall pay all costs not covered because of deductibles for loss or damage caused by Licensee's negligence. Licensee further



acknowledges that Licensor shall not be responsible for any loss suffered by Licensee due to interruption of Licensee's business.

- 17.3. All insurance required to be carried pursuant to the terms of this Section 17 shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the Commonwealth of Pennsylvania, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "A" and a financial rating of at least "XIII." Three (3) days after the Effective Date, Licensee shall deliver to Licensor appropriate certificates of insurance. Evidence of each renewal or replacement of a policy shall be delivered by Licensee to Licensor prior to the expiration of such policy. Within fifteen (15) days of Licensee's request, Licensor shall deliver to Licensee appropriate certificates of insurance
18. **DESTRUCTION BY FIRE OR OTHER CAUSE:** If the Premises is substantially damaged by fire or other casualty, Licensor shall have no obligation to repair any damage to, or to replace any Alterations (including the Initial Alterations), any equipment (including the Initial Equipment) or any of Licensee's personal property; and Licensor, at its option, shall have the right to terminate this Agreement and the Management Agreement, in which event, the Parties shall have no further obligation under this Agreement or the Management Agreement.
19. **ASSIGNMENT, SUBLICENSE:** Licensee shall not assign or sublicense its rights under this Agreement without the consent, in writing, of the Licensor; Licensor's consent shall be in the sole discretion of Licensor.
20. **UTILITIES:** Licensor shall be responsible for all costs of electricity and other utilities provided to the Premises. Licensee shall be responsible for all costs of phone, internet and cable provided to the Premises.
21. **LICENSEE'S ACCESS TO PREMISES:** Licensee shall have the right to use the common walkways and driveways necessary for access to the Building. Licensee's use of the parking areas surrounding the Premises shall be on an unreserved, non-exclusive basis and solely for Licensee's employees and visitors. Use of the parking area shall be only upon the terms set forth at any time by the Licensor, provided that such terms shall not unreasonably affect or restrict Licensee's continued use of the parking areas.
22. **LICENSOR'S ACCESS TO PREMISES:** Licensee shall permit Licensor, Licensor's agents, representatives, contractors and employees and public utilities agents, contractors and employees to enter the Premises at all reasonable times upon reasonable notice to Licensee. Licensor acknowledges that Licensee is obligated to comply with state and federal laws protecting the privacy and confidentiality of all patient information ("Patient Information"). Licensor shall not access any area of the Premises in which Patient Information is located unless accompanied by a representative of Licensee. If Licensor has any incidental access to

Patient Information, Licensor agrees that such information is to be considered confidential and proprietary to Licensee and Licensor agrees that it shall hold the same in confidence, and shall not use, discuss, or disclose Patient Information located within the Premises to any other person or party whatsoever at any time. Licensor agrees not to purposefully or intentionally access Patient Information during any access to the Premises.

### 23. CERTIFICATE OF OCCUPANCY:

- 23.1. Licensee shall obtain a temporary or permanent certificate of occupancy covering the Premises permitting the Premises to be used as a medical clinic as stated in Section 4 of this Agreement and such temporary or permanent certificate of occupancy will be in force upon the earlier to occur of: (a) the completion of Licensee's Initial Alterations and (b) the date upon which Licensee shall occupy all or any portion of the Premises for the conduct of business, provided, however, neither such certificate, nor any provision of this Agreement, nor any act or omission of Licensor, shall be deemed to constitute a representation or warranty by Licensor that the Premises, or any part thereof, lawfully may be used or occupied for any particular purpose or in any particular manner.
- 23.2. Licensee shall not at any time use or occupy the Premises in violation of the certificate of occupancy at such time issued for the Premises and in the event that any department of municipality or Commonwealth of Pennsylvania shall hereafter contend or declare by notice, violation, order or in any other manner whatsoever that the Premises are used for a purpose which is a violation of such certificate of occupancy, Licensee, upon written notice from Licensor or any governmental authority, shall immediately discontinue such use of the Premises.

### 24. DEFAULT: Each of the following events shall be an “Event of Default” hereunder:

- 24.1. If Licensee shall default in the observance or performance of any term, covenant or condition to be observed or performed under any this Agreement or any other agreement with Licensor, including, but not limited to, the Management Agreement, and such failure continues for more than twenty (20) days after written notice from Licensor (or such longer period as is reasonably required to correct any such default, but in any event, no longer than ninety (90) days, provided Licensee promptly commences and diligently continues to effectuate a cure); or
- 24.2. If the Premises shall become vacant, deserted or abandoned; or
- 24.3. If Licensee is involved as a debtor in any bankruptcy case, proceeding or other action.

**25. TERMINATION OF THE AGREEMENT:**

25.1. EVENT OF DEFAULT: If an Event of Default shall occur and Licensor, at any time thereafter, at its option gives written notice to Licensee stating that this Agreement and the Term shall expire and terminate on the date Licensor shall give Licensee in such notice, then this Agreement and the Term and all rights of Licensee under this Agreement shall expire and terminate as if the date of such notice were the Fixed Expiration Date or the last day of the Renewal Term, as the case may be, and Licensee immediately shall quit and surrender the Premises, but Licensee shall nonetheless be liable for all of its obligations hereunder.

25.2. TERMINATION WITHOUT CAUSE: Beginning January 1, 2018, notwithstanding any other provision of this Agreement to the contrary, either Party may terminate this Agreement for any reason or for no reason. Should Licensee seek to terminate this Agreement pursuant to this Section 25.2, Licensee must provide at least six (6) months' prior written notice to Licensor. Should Licensor seek to terminate this Agreement pursuant to this Section 25.2, Licensor must provide at least sixty (60) days' prior written notice to Licensee.

25.3. CO-TERMINATION OF MANAGEMENT AGREEMENT: If this Agreement terminates for any reason whatsoever, then the Management Agreement shall terminate as of the date of the termination of this Agreement. If the Management Agreement terminates for any reason whatsoever, then this Agreement shall terminate as of the date of the termination of the Management Agreement.

26. **LICENSOR'S REMEDIES**: If this Agreement terminates in accordance with Section 25 of this Agreement, or this Agreement shall expire, Licensee shall quit and peacefully surrender the Premises to Licensor, and Licensor and its agents may immediately re-enter the Premises or any part thereof, without notice, and may repossess the Premises and dispossess Licensee and any other persons from the Premises and remove any and all of their property and effects from the Premises. Licensee hereby waives the service of any notice of intention to re-enter or to institute legal proceedings to that end which may otherwise be required to be given under any present or future law. The right to invoke the remedies hereinbefore set forth are cumulative and shall not preclude Licensor from invoking any other remedy allowed at law or in equity.

27. **LIMITATION OF LIABILITY**: In no event shall either Licensor or Licensee be liable to the other for any consequential, incidental, indirect, special, exemplary or punitive damages under any provision of this Agreement.

28. **END OF TERM**: Upon the expiration or other termination of this Agreement, Licensee shall quit and surrender to Licensor the Premises, vacant, broom clean, in good order and condition, ordinary wear and tear and damage for which Licensee is not responsible under the terms of this Agreement excepted. If the last day of the Term or any renewal thereof falls

on Saturday or Sunday, this Agreement shall expire on the business day immediately preceding. Licensee acknowledges that possession of the Premises must be surrendered to Licensor on the Fixed Expiration Date, or the last day of the Renewal Term, as the case may be. Licensee agrees to indemnify and save Licensor harmless from and against all claims, losses, damages, liabilities, costs and expenses (including, without limitation, attorneys' fees and disbursements) resulting from delay by Tenant in so surrendering the Premises.

**29. TAX EXEMPT STATUS:** Licensor and Licensee both certify that they are tax-exempt entities. In the event that Licensee assigns or sublicenses its interest in this Agreement to a Person or organization that is not tax-exempt, then Licensee shall be liable for all taxes relating to this Agreement.

**30. INDEMNIFICATION:**

30.1. Licensee shall not do or permit any act or thing to be done upon the Premises which may subject Licensor to any liability or responsibility for injury, damages to persons or property or to any liability and shall exercise such control over the Premises as to fully protect Licensor against any such liability. Licensee shall indemnify and save Licensor, its officers, directors and employees (the "Indemnitees") harmless from and against (i) all claims of whatever nature against the Indemnitees arising from any act, omission or negligence of Licensee, its contractors, licensees, agents, servants, employees, invitees or visitors; (ii) all claims against the Indemnitees arising from any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring during the Term in or about the Premises; (iii) all claims against the Indemnitees arising from any accident, injury or damage occurring outside of the Premises but anywhere within or about the property known as 1565 Kaufman Road, Landisville, PA, where such accident, injury or damage results from an act, omission or negligence of Licensee or Licensee's contractors, licensees, agents, servants, employees, invitees or visitors; and (iv) any breach, violation or non-performance of any covenant or condition of this Agreement set forth and contained on the part of Licensee to be fulfilled, kept, observed and performed. This indemnity and hold harmless agreement shall include indemnity from and against any and all liability, fines, suits, demands, costs and expenses of any kind or nature (including, without limitation, reasonable attorneys' fees and disbursements) incurred in or in connection with any such claim or proceeding brought thereon.

30.2. Neither Party believes the Pennsylvania Prevailing Wage Act applies to this License, including, without limitation, to the Initial Alterations or acquisition of the Initial Equipment. While neither Party is admitting any liability for payment of prevailing wages, to avoid protracted litigation and settlement fees, if a governmental authority determines that prevailing wages are due, Licensor will increase the Licensor's Contribution by the amount of prevailing wages owed. Licensor reserves all rights to contest and appeal the governmental authority's determination that prevailing wages apply.

31. **INDEMNIFYING PARTY:** If any claim, action or proceeding is made or brought against Licensors, which claim, action or proceeding the Licensee shall be obligated to indemnify Licensors pursuant to the terms of this Agreement, then, upon demand by the Licensors, the Licensee, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Licensors' name, if necessary, by such attorneys as the Licensors shall reasonably approve. The provisions of Section 30 and Section 31 shall survive the expiration or earlier termination of this Agreement.
32. **ZONING:** It is understood and agreed that Licensors does not warrant or undertake that Licensee shall be able to obtain a permit under any zoning ordinance or regulation for such use of the Premises as Licensee intends to make of the Premises as stated in Section 4 of this Agreement, and nothing in this Agreement shall obligate Licensors to assist Licensee in obtaining said permits.
33. **NO WAIVER:** The failure of Licensors to seek redress for violation of, or to insist upon strict performance of, any covenant or condition of this License, or any of the Rules and Regulations set forth or hereafter adopted by Licensors, shall not prevent a subsequent act, which would have originally constituted a violation of the provision of this License, from having all of the force and effect of an original violation of the provisions of this License. The receipt by Licensors of the License Fee shall not be deemed a waiver of such breach.
34. **NOTICE:** Any notice, demand or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered (against a signed receipt), sent by nationally recognized overnight carrier, or mailed by prepaid certified mail, return receipt requested, addressed as follows or to such other address, and to the attention of such other person(s) or officers) as either Party may designate by written notice:

To Licensee: Lancaster General Medical Group  
President  
1030 New Holland Avenue  
Building 12A, Suite 100  
Lancaster, PA 17601

With a copy to: Lancaster General Health  
Attn.: General Counsel  
555 North Duke Street  
P.O. Box 3555  
Lancaster, PA 17604-3555

To Licensors: Hempfield School District  
Attn: Daniel L. Forry  
200 Church Street  
Landisville, PA 17538

With a copy to: Fox Rothschild LLP

Attn: Mark Fitzgerald, Esquire  
10 Sentry Parkway, Suite 200  
P.O. Box 3001  
Blue Bell, PA 19422-3001

Each Party's attorney is authorized to give any notice pursuant to this Agreement on behalf of such attorney's client.

35. **SUBJECT HEADINGS:** The subject headings of the Sections of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any provision of this Agreement.
36. **PARTIES BOUND:** The covenants, conditions and agreements contained in this Agreement shall bind and inure to the benefit of Licensor and Licensee and their respective legal representatives, and subject to the terms and conditions of this Agreement, the permitted successors and permitted assigns.
37. **NO RECORDING:** This Agreement may not be recorded.
38. **WAIVER OF CLAIM FOR LICENSOR'S FAILURE TO CONSENT:** Licensee hereby waives any claim against Licensor that Licensee may have based upon any assertion that Licensor has unreasonably withheld or unreasonably delayed any consent or approval requested by Licensee.
39. **ENTIRE AGREEMENT:** This Agreement, including all Exhibits attached hereto, and together with the Management Agreement, contains the entire agreement between the Parties and supersedes all prior understandings, if any, with respect thereto. This Agreement shall not be modified, changed, or supplemented, except by a written instrument executed by the Parties.
40. **SUBMISSION TO JURISDICTION; GOVERNING LAW:** Licensee irrevocably consents and submits to the jurisdiction of the Lancaster County Court of Common Pleas, Lancaster County, Pennsylvania. Licensee hereby irrevocably waives personal service of any summons and complaint and irrevocably waives all objections as to venue and any and all rights it may have to seek a change of venue with respect to any such action or proceedings. This Agreement shall be construed, and the rights and obligations of Licensor and Licensee hereunder shall be determined, according to the laws of the Commonwealth of Pennsylvania.
41. **INCORPORATION BY REFERENCE, SEVERABILITY, CONSENTS:**
- 41.1. All of the Exhibits attached hereto are incorporated in and made a part of this Agreement, but, in the event of any inconsistency between the terms and provisions of this Agreement and the terms and provisions of the Exhibits hereto, the terms and provisions of this Agreement shall control. Wherever appropriate in this Agreement,

personal pronouns shall be deemed to include the other genders and the singular to include the plural.

41.2. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held to be invalid or unenforceable, then in each such event the remainder of this Agreement or the application of such term, covenant, condition or provision to any other Person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

41.3. All references in this Agreement to the consent or approval of Licensor shall be deemed to mean the written consent or approval of Licensor and no consent or approval of Licensor shall be effective for any purpose unless such consent or approval is set forth in a written instrument executed by Licensor.

42. **COUNTERPARTS AND EXECUTION:** This Agreement may be signed in any number of counterparts which, when taken together, shall constitute one and the same document. The parties further agree that any facsimile or electronic signature shall be as effective as an original signature and shall be equally binding as though delivered directly by hand to each other.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Licensor and Licensee have respectively executed this Agreement as of the Effective Date first above written.

HEMPFIELD SCHOOL DISTRICT

By: \_\_\_\_\_  
Name:  
Title:

Fed. Id. No.:  
\_\_\_\_\_

LANCASTER GENERAL  
MEDICAL GROUP

By: \_\_\_\_\_  
Name:  
Title:

Fed. Id. No.:  
\_\_\_\_\_



**EXHIBIT A**

**PREMISES**

(See Attached)

**EXHIBIT B**

**INITIAL ALTERATIONS**

(See Attached)

**EXHIBIT C**

**INITIAL EQUIPMENT**

(See Attached)

## **EXHIBIT D**

### **RULES AND REGULATIONS**

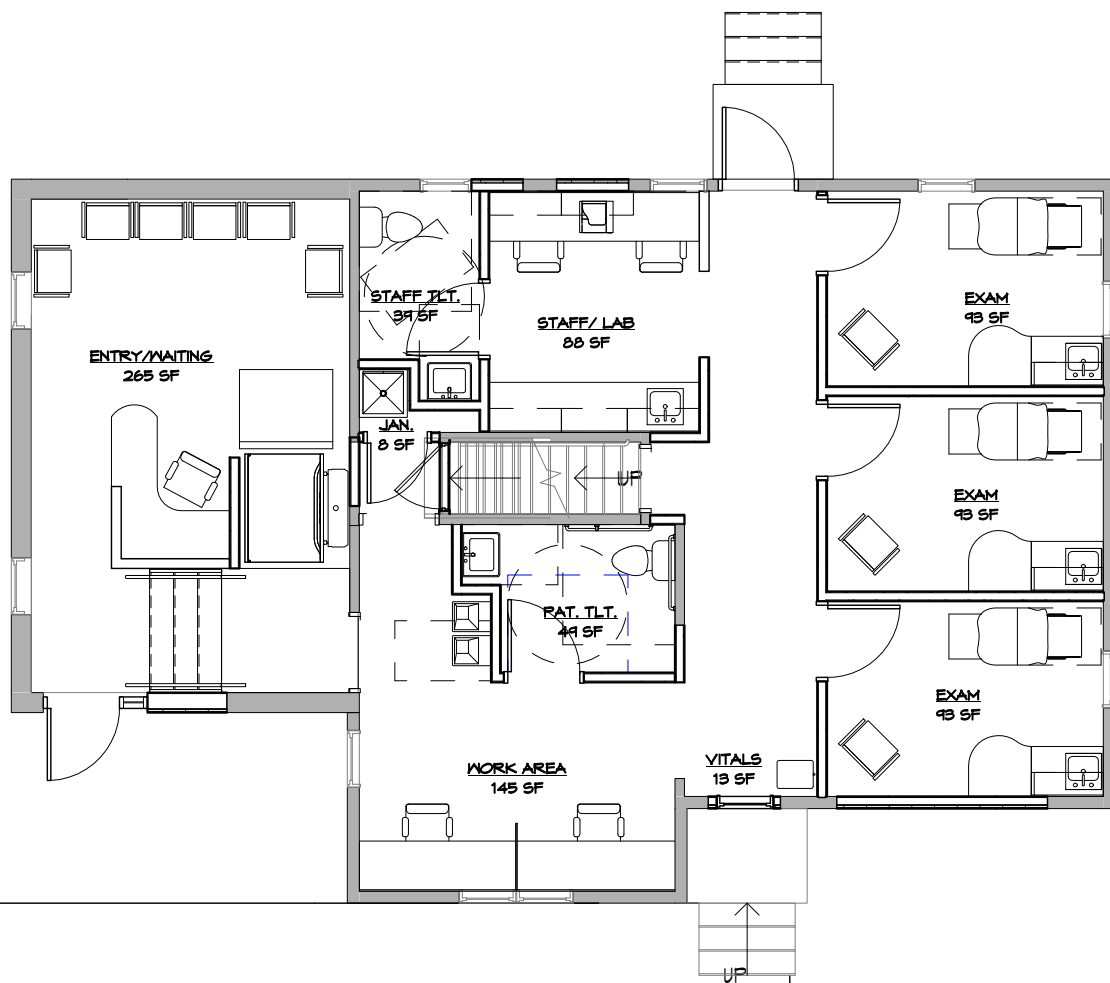
#### **Prohibited Activities**

The following activities are strictly prohibited in school facilities when individuals and community groups are granted written permission to use said school facilities:

1. Possession, use or distribution of illegal drugs and/or alcoholic beverages.
2. Possession of weapons.
3. Conduct that would alter, damage or be injurious to district property, equipment or furnishings.
4. Conduct that would constitute a violation of the Pennsylvania Crimes Code, and/or state and federal laws and regulations.
5. Gambling, games of chance, lotteries, raffles or other activities requiring a license under the Local Option Small Games of Chance Act, unless such activity has been expressly authorized by the Board or administration.
6. Use of tobacco products.

#### **Violations**

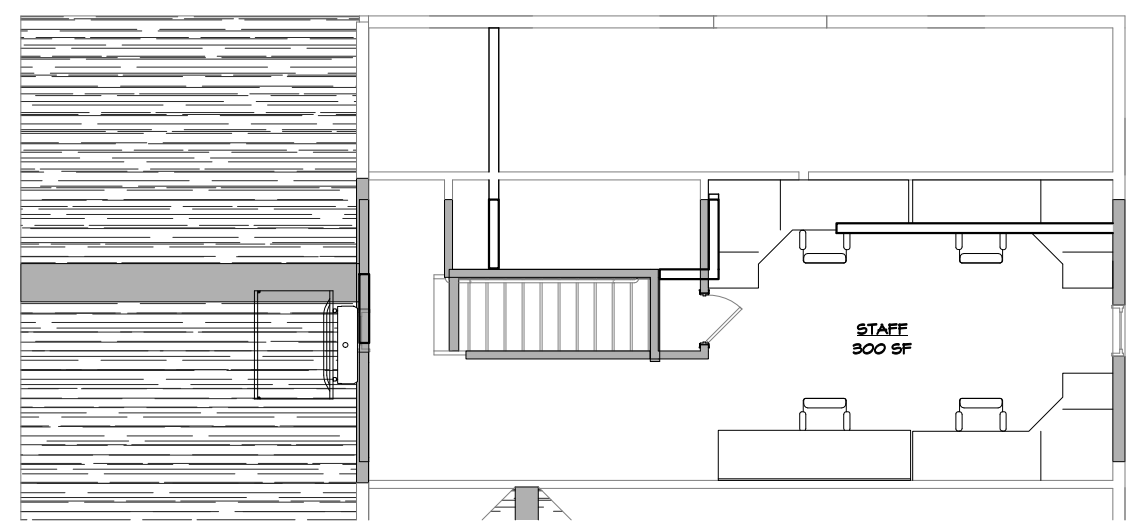
The school district reserves the right to remove from school district premises any individual or community group who fails to comply with the terms and conditions of this policy and established procedures.



1  
A2  
01 FIRST FLOOR  
1/8" = 1'-0"



2  
A2  
FIRST FLOOR AXO.



3  
A2  
SECOND FLOOR  
1/8" = 1'-0"



PROPOSED PLAN

FOR:

# LGMG HEMPFIELD SD FACULTY HEALTH SERVICES

10.05.2015

DOCUMENT DISCLAIMER:

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April 17, 2015

**Revised April 22, 2015 with breakouts**

John Hartman  
Lancaster General Health  
555 North Duke Street  
Lancaster, Pa 17604

RE: LGH at Hempfield

## Budget Proposal

EGS Construction is pleased to include a budget proposal for renovations to an existing 1,073 sf building with 799 sf basement and 332 sf attic space. There are two different options considered. The two exam room option is based on Cornerstone Design Architects plan A001P, A1, A2, and A703 dated 5/6/15. The three exam option is based on Cornerstone Design Architects plan A1, A2, and A4 dated 4/16/15. The scope of work is as follows:

### **Division 1 – General Conditions:**

- Building Permits and inspection fees
- Architectural fees
- Interior design fees
- Structural Engineering fees
- MEP Engineering fees
- Field Supervision
- Field testing
- Temporary toilet facilities
- Dumpster and dump fees
- Construction Cleaning

### **Division 2 – Sitework:**

#### First Floor Demo

- Remove all flooring and underlayments down to wood deck
- Remove ceiling drywall on first floor to expose wood joists
- Remove selective partitions, sinks, tubs, toilet fixtures

- Remove all baseboards and opening casings
- Remove all interior doors and rear door and stoop with steps.

#### Multi-Purpose Room Demo

- Remove all flooring
- Remove all cabinetry and ceiling ledge
- Demo 4' door and frame
- Remove interior steps

#### Site Improvements

- Excavation and backfill for entrance ramp.
- Added stone and paving to create 4 parking spaces as required by code
- Parking ADA signage, line striping, bumpers.

#### **Division 3 – Concrete**

- Concrete footers for entrance ramp
- Entrance ramp slabs.

#### **Division 4 –Masonry**

- 8" CMU walls for handicap ramp with parge finish

#### **Division 5 – Metals**

- Three line steel handrails with powder coat finish

#### **Division 6 – Wood and plastics**

- New stairs and handrail for Multipurpose room
- Miscellaneous blocking as required
- Includes maple prefinished coat rails
- New window stools and casings to be painted wood.

#### **Division 7 – Thermal and Moisture**

- Remove all existing aluminum siding, install new house wrap and appropriate flashings to prepare for new vinyl siding.
- Gables on front and right side of building will be Certainteed Cedar Impressions. Front bump out at staff area will be Certainteed 8" Vertical siding, and the remainder will be Certainteed 6 ½" Carolina Beaded siding, all standard colors.
- Add azek rake boards at gables
- Add 3 1/2" lineals around all the windows with 3 ½" lineal crown at the tops of the windows
- Appropriate flashings
- Roof penetrations from new vent lines
- Caulking and sealants for windows and doors
- New aluminum gutter and downspouts

#### **Division 8 – Doors and Windows**

- New entrance door and new multipurpose room door will be Marvin Integrity Commercial Doors. Entrance door will be ½ glass and Multipurpose door will be flush. New closers, panic bars and locking lever trim.
- All new windows will be Marvin Integrity Ultrex fiberglass double hung with properly flashed sill pans and top and side flashings. All windows will be replaced except for two casement windows in multipurpose room (these are newer windows).
- All new interior doors to be prefinished solid core White birch 3068 with 6 7/8" HM KD jambs
- Grade 2 standard lever hardware
- Existing door openings will receive new door slabs installed in existing openings.

### **Division 9 – Finishes:**

#### Drywall/Framing

- 3 5/8" 20ga studs with 3 ½" sound batts, ½" sound board on each side, and 5/8" drywall each side. All ceilings heights are 7'6". No sound board needed for lab wing walls, reception counter walls, storage closet walls.
- Patch exterior walls as needed. Existing drywall to remain.
- 5/8" overlay on all ceilings except for multipurpose room (drywall remains)
- Drywall returns into new exterior doors.
- Finish all drywall ready for paint with level 4 finish

#### Paint

- One prime, 2 coat Promar 200 eggshell finish on all wall surfaces. Flat white ceilings.
- Two coats semigloss on all wood window trim and casing. New exterior windows will be prefinished
- One accent wall in exams and halls
- Scrape and paint exposed block around bottom of the building
- No painting in second floor or basement

#### Flooring

- 4 ½" tight lok base everywhere
- Armstrong Timberline SV in exams, restrooms, Janitor, storage, Lab, Staff areas. Heat weld seams
- Broadloom Carpet J&J Invision, Payday 2575 in reception area, multipurpose room, and halls.
- Include underlayment on entire first floor area.
- Include moisture resistant adhesive on multipurpose room concrete.
- Rubber risers and treads on multipurpose steps
- No flooring in basement or second floor

### **Division 10 – Specialties**

- Install new grab bars, toilet paper dispensers, and paper towel dispensers in restrooms.



- Install ADA restroom signage and exit signage as required by code
- Install Inpro wall protection to 48" AFF in restrooms and janitor closet.
- 8" rub rails on walls in exam rooms. Texture will be "velvet"
- Corner guards on all exterior corners in public hall areas. Flanges to be 1 ½". Texture will be "velvet"

#### **Division 11 –Equipment**

- Exam cabinetry to be SB24, DB12, W3636 with lock
- Staff cabinetry to be 24" work surface, W4836 (12" inside)
- Lab cabinetry to be 7' of base cabinetry, 4' of 36" high wall cabinetry
- All ceilings 7'6" so wall cabinetry goes right against ceilings
- Reception desk – 24" laminate work top w/ 12" raised work top at 42" entire length except for 36" area. Laminate waiting room side of reception wall. 12" tack strip on reception side. In cubby behind reception area include base cabinets and wall 36' high wall cabinet with locks.
- Five 12" melamine shelves on standards in storage room
- Two 18" melamine shelves on standards in janitor closet

#### **Division 12 –Furnishings**

- Install roller shades with valences on all windows. Exams will receive black out shades.

#### **Division 15 Mechanicals**

##### HVAC

- Reuse existing gas furnace and electric AC/Condenser
- Relocate supply and return registers as needed for new construction (nearly all will need reworked)
- Bathroom exhaust ducting
- New thermostat with remote averaging sensors
- New diffusers and registers
- Ductless mini-split for multipurpose room
- Increase duct insulation in basement to R-8
- Add outdoor air intake as required by code

##### Plumbing

- Disconnect all fixtures for demo crew to remove
- New drain piping and water lines back to mains.
- All new sinks in exams to be SS drop in 15x15 with gooseneck faucets
- Porcelain wall hung in restrooms
- Power flush toilets
- Mop sink in janitor closet with faucet
- Two level water cooler
- New frost free hosebib.
- Install eyewash at lab sink

**Division 16 - Electric**

- P/D/Recep for every work station
- Redundant ground in all exam rooms
- New exhaust fans in restroom
- (27) LED high hats, (2) LED under cabinet lights, (2) vanity lights, (4) LED exterior wall packs. Existing lights to remain in multipurpose room.
- Exit signage and emergency lights
- Relocating fire alarm and pull stations as needed
- Exterior lighting to light exit ramp
- Exterior wall packs
- UC lights in lab and (2) staff stations
- Provide p/d/recep for three workstations on 2<sup>nd</sup> floor
- Includes lockable data rack, patch panels, and bix blocks. Network switch by owner. Includes all terminations and certified testing.

**Clarifications**

- The existing steps to the second floor to not pass current code and the ceiling height up there is 6'3". I do not know if the township will allow any office space up there or not. If the township views this as a change of use and not just an alteration that may be an issue.
- The floor joists are single 2x8 with 13'4" spans. It would be nice to see 2x10 used. With standard structural charts we should be fine for office use. Sometimes hallways and corridors in commercial space require a much higher loading capacity. I have fees for a structural engineer included to confirm some of these loads but I do not have any repairs included if there would be a requirement for increased loading.
- I contacted the Township Zoning department regarding land development fees due to the handicap ramp and some added parking space. I would be greatly surprised if they would be needed here because we are only adding 500sf of impervious. In order for the Township to give me definitive answers they need to know the property address and research the deed for lot sizes etc. I have any land development excluded at this point but this is an area that may have to be researched some more. If future exams are added then we will definitely have to add more parking. This may totally change the whole parking layout as we may not be able to fit more vehicles in the front of the building.
- The price includes 4 parking spaces which is what code requires. This may or may not be sufficient for staff and visitors. One of these spaces is handicap van accessible so technically there are only three usable spaces for staff and ambulatory visitors.
- We have assumed network will not be VOIP. If it is, then we can credit the phone lines.
- Plans do not show mop sink or water cooler but we have them included as they will be needed.

- Since this is a very small space, we are concerned about sound transmission. All the new interior walls will be 3 5/8” studs with 3 1/2” insulation, with 1/2” sound board on each side and 5/8” drywall on each side. This will greatly increase privacy in exams and bathrooms.
- I do not have any additional insulation planned for attic ceiling, knee walls, or exterior walls. Presently there is R19 in attic ceiling and R11 in attic walls. No idea what is in exterior walls of first floor. This is obviously not up to code but the entire wall cavity is filled with insulation so I am hoping the Township will accept this.

**Exclusions:**

- Winter conditions
- Environmental abatements of any kind
- Unsuitable soils, soil compaction
- Rock excavation
- Sink hole repair
- Night or weekend work
- Building signage or room signage
- Any maintenance to existing HVAC units
- Third party HVAC balancing
- Site lighting
- Any work to second floor except for adding phone/data/recep for three work stations.
- New fiber or network lines to the building.
- No work to existing well jet pump, existing water heater, or pressure tank. All appear to be in good shape.
- Prevailing wages
- Any pricing for future addition
- Backlighted mirrors
- New roofing
- Canopy over entrance doors
- Any work to shed in rear of property
- Furniture or pedestal files

Option #1 – 2 exams	Total Budget	\$245,000
Option #2 – 3 exams	Total Budget	\$260,000
Contingency	Add	\$8,000
Architectural Schematics	Add	\$6,600

Breakouts for Option #2 3 exam rooms (included in budgets above)

Division 1 – General Conditions		\$47,345
• Architectural / Interior Design Fees	\$14,800	
• Architectural Schematics	\$6,600	
• Structural Engineering Fees	\$2,500	
• MEP Engineering Fees	\$3,700	
• Suprv, cleaning, dumpsters, other	\$19,745	
Division 2 – Sitework		\$26,367
• Interior demolition	\$8,354	
• Exterior sitework	\$18,013	
Division 3 - Concrete		\$8,177
Division 4 – Masonry		\$4,878
Division 5 – Railings		\$9,756
Division 6 – Wood/Framing/Trim		\$7,122
Division 7 – Thermal/Moisture		\$23,362
• New siding	\$22,687	
• Shingle repair	\$675	
Division 8 – Doors/Windows		\$26,399
• Interior door and hardware	\$9,537	
• Exterior doors	\$7,317	
• Windows	\$9,545	
Division 9 – Finishes		\$32,073
• Drywall/Metal Framing	\$12,561	
• Flooring	\$10,366	
• Paint (interior and exterior)	\$9,146	
Division 10 – Specialties		\$2,500
• Toilet accessories, mirrors, fire extinguishers, etc		
Division 11 – Casework		\$14,451
Division 12 – Furnishings		\$3,049
• Roller shades		

Division 15 – Mechanicals		\$33,841
• Plumbing	\$13,841	
• HVAC	\$20,000	
Division 16 – Electrical		\$27,280
Contingency		\$8,000
	Total Budget	\$274,600

VE options for 3 Exam Rooms

1. Change all SV to waxed VCT. Change Tightlok base to standard 4” cove base  

Credit \$(3,100)
2. Change carpet from J&J Invision to 26oz Shaw Scoreboard  

Credit \$(1,060)
3. Change interior doors from Solid Core Birch prefinished to Solid Core commercial tempered hardboard painted  

Credit \$(760)
4. Eliminate sidelights on exterior doors and only have ½ lites in the doors. Multipurpose room door will be located in existing opening.  

Credit \$(1,550)
5. Eliminate office use on second floor. This eliminates wiring for (3) work stations and the need for the additional mini-split system  

Credit \$(5,700)
6. Change all new windows from Ultrex fiberglass to vinyl  

Credit \$(3,300)
7. Repaint existing interior window casings and stools without replacing them with new.  

Credit \$(600)

8. Change window treatments from roller shades to 2" faux wood slat blinds.

Credit \$(750)

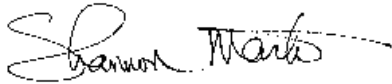
9. Change all exterior siding to Certainteed Mainstreet double 5". Frieze boards at gables remain.

Credit \$(1,660)

10. Change rails at front ramp to two line, mill finish, aluminum railings in lieu of powder coated steel

Credit \$( )

Respectfully Submitted,

A handwritten signature in black ink that reads "Shannon Martin". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Shannon Martin  
Director of Field Operations

**Hempfield**

**Exams Rms**

<b>Exam Room</b>		<b>3</b>
1	LG BP cuffs	3
1	SM BP cuffs	3
1	Exam tables	3
1	Exam Stools	3
1	Goose neck lamps	3
1	Guest Chairs - arms	3
0	Guest Chairs - no arms	0
1	Otoscope/Ophthalmoscope Transformer unit (includes thermometer)	3
3	Sundry jars/5 per case	
1	Hazard Trash Can	3
1	Reg Trash Can	3
1	Biohazard Bin/12/case	1
1	Bracket/10/case	1
1	Paper Towel Holder	3
1	Glove Box Holder/10/case	1

**Procedure Room**

0	LG BP cuffs
0	SM BP cuffs
0	Procedure Table
0	Exam Stools
0	LED Procedure
0	Guest Chairs - arms
0	Guest Chairs - no arms
0	Otoscope/Ophthalmoscope Transformer unit (includes thermometer)
0	Sundry jars (in exam rm order)
0	Hazard Trash Can
0	Reg Trash Can
0	Biohazard Bin (in exam rm order)
0	Bracket(in exam rm order)
0	Paper Towel Holder
0	Glove Box Holder(in exam rm order)
0	Cryosurgery System

**Lab/Nurse Area**

1	Autoclave
1	Centrifuge
1	EKG machine (Midmark)
1	Glucometer
1	Hyfrecator/Dessicator? + tray/stand
1	Microscope
1	Nebulizer
1	Scale-Adult (Bari)
0	Scale-Infant
1	Spirometer (Midmark)
1	Hazard Trash Can
1	Eyechart
1	Reg Trash Can
0	Biohazard Bin/Bracket (in exam rm order)
1	Wheel Chair
1	PulseOx (midmark?)
1	Refrigerator 18.2 cu foot
1	Paper Towel Holder
1	Audioscope
0	Lab draw chair
0	Lab task chairs
0	Filing cabinets
1	Under counter fridge
0	Carts
1	Vital Signs Machine

**Storage**

0	Shelving - built ins
---	----------------------

**Lounge**

0	Refrigerator
0	Racetrack Table
0	Torsion onthego Chairs
0	LG Bulletin Board
0	Trash Can
0	Paper Towel Holder
1	Coffee Maker
0	Lockers (12 half size)
1	Microwave

**Miscellaneous**

1	Bulletin Boards
1	AED
0	Bookcases
1	Signage
1	Plants
1	Easel
1	Window Treatments
1	Artwork
1	Locked Drug Cabinet

**Provider workstations**

2	Exec Chairs
1	Desks with filing - or built ins
2	Filing cabinets
2	Keyboard trays
2	Shelving/Hutch

**Admin Office - Upstairs**

4	Chairs
4	Desks with filing - - or built ins
1	Five drawer Filing cab
1	Shelving/Hutch
0	Guest Chairs - arms
0	Guest Chairs - no arms
0	Bookcase

**Front Office**

1	Task Chairs
1	Filing cabinets
0	Registration Chair
1	Safe
1	Copier/Fax/Scan

**Bathrooms**

2	Paper Towel Holder
2	Trash Can
1	Pull Cords
1	Vanity Cabinet

**Waiting Room**

1	Bulletin Board
5	Waiting Room Chairs - arms
1	Bariatric Chair or bench
1	Water Cooler
1	Lamps
1	End Tables
0	Coffee Table
1	Magazine Rack
0	Kids Table/chairs