



## AMENDMENT TO SERVICES OPERATIONS CONTRACT

This document amends the Agreement by and between Pre-Trial Services, a department of Webb County, Texas, a political subdivision of the State of Texas (hereinafter "Department") and Recovery Monitoring Solutions (hereinafter "Agency") to provide Global Positioning System (GPS) Monitoring, Radio Frequency (RF) Monitoring, Continuous Alcohol Monitoring, Breath-Alcohol Testing, and Drug Patch Testing services for the Department.

Whereas, the parties have determined that provisions of their existing agreement need to be revised in order to accurately reflect the agreement between the parties.

Now therefore, the parties hereby agree to amend the existing Agreement as follows:

1. Modification of Term Section:

This AGREEMENT shall become effective for a one (1) year period beginning on October 1, 2021 and ending on September 30, 2022 (unless terminated herein under the provisions below). The agreement shall automatically renew for another one-year term for a period not to exceed three (3) total years, unless either party provides notice to the other of its intent to terminate the agreement not less than thirty (30) days before the end of the then current term.

2. Recovery Monitoring Solutions and the Department agree to the following rates for the Drug Patch Program:

Department Funded: \$70.00                      Participant Funded: \$75.00

Please Note: This unavoidable rise in price is the direct result of increased costs levied on Recovery Monitoring Solutions by the equipment manufacturer. Please understand that the application of this elevated rate only serves to maintain – not enhance – our current profit margin.

3. All other terms and conditions not explicitly revised by this amendment remain in effect.

EXECUTED TO BE EFFECTIVE AS OF SEPTEMBER 30, 2021.

**DEPARTMENT:**  
**WEBB COUNTY PRE-TRIAL SERVICES**

By: \_\_\_\_\_  
Cornell Mickley, Director  
Webb County Pre-Trial Services


**COUNTY OF WEBB:**

By: \_\_\_\_\_  
Honorable Caytano E. Tijerina  
Webb County Judge

**APPROVED:**

By: \_\_\_\_\_  
General Counsel for Webb County  
Civil Legal Division

**AGENCY:**  
**RECOVERY MONITORING SOLUTIONS**

By:  \_\_\_\_\_  
Terry Fain, President/General Manager  
Recovery Monitoring Solutions

**ATTEST:**

By: \_\_\_\_\_  
Margie Ramirez Ibarra  
Webb County Clerk

Honorable Joe Lopez  
49<sup>th</sup> District Court  
Honorable Rebecca Palomo  
341<sup>st</sup> District Court  
Honorable O. J. Hale, Jr.  
406<sup>th</sup> District Court



Honorable Jesse Gonzalez  
County Commissioner PCT 1  
Honorable Hugo Martinez  
County Court at Law I  
Honorable Monica Notzon,  
111<sup>th</sup> District Court

**Webb County Pre-Trial Services**

Webb County Justice Center  
1110 Victoria, 5<sup>th</sup> floor  
PO Box 29  
Laredo, Texas 78042-1598  
Phone: 956-523-4988  
Fax: 956-523-5137

June 19, 2017

Terry Fain,  
Chief Operating Officer  
Dallas Recovery Healthcare Corp  
9090 N. Stemmons FWY  
Dallas, Texas 75247

REF: Services Operations Agreement

Dear Terry,

Attached is the original copy of the Service Operation Agreement between Webb County Pre-Trial Service and Recovery HealthCare Corp. Please sign the agreement. Make a copy for your records and send me the original as soon as possible, so I may file it with our county clerk's office.

Please call me at 956-523-4988, if you have any questions.

Respectfully,

A handwritten signature in cursive script that reads "Cornell Mickley".

Cornell Mickley,  
Director



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Whereas, the parties have determined that provisions of their existing agreement need to be revised in order to accurately reflect the agreement between the parties.

Now therefore, the parties hereby agree to amend the existing Agreement as follows:

1. Modification of Term Section:

This AGREEMENT shall be extended from July 9, 2017 and ending on September 30, 2017 (unless terminated herein under the provisions below). The agreement shall continue from October 1, 2017 to September 30, 2018, and shall continue for three (3) total years expiring September 30, 2021, unless either party provides notice to the other of its intent to terminate the agreement not less than thirty (30) days before the end of the then current term.

2. All other terms and conditions not explicitly revised by this amendment remain in effect.

EXECUTED TO BE EFFECTIVE AS OF July 8, 2017.

**DEPARTMENT:**

**WEBB COUNTY PRE-TRIAL SERVICES**

By: Cornell Mickley 6/15/17  
Cornell Mickley, Director  
Webb County Pre-Trial Services

**AGENCY:**

**RECOVERY HEALTHCARE CORP.**


By: Terry Fain  
Terry Fain, Chief Operating Officer  
Recovery Healthcare Corporation

**COUNTY OF WEBB:**

By: [Signature]  
Honorable ~~Tano~~ E. Tijerina  
Webb County Judge

**ATTEST:**

By: Margie Ramirez Ibarra  
Margie Ramirez Ibarra  
Webb County Clerk

The seal of the County of Webb, Texas, is circular and features a central emblem surrounded by the text "COUNTY OF WEBB TEXAS" and "1856".

**APPROVED:**

By: [Signature]  
Marco A. Montemayor  
Webb County Attorney



## AMENDMENT TO SERVICES OPERATIONS CONTRACT

This document amends the Agreement by and between Pre-Trial Services, a department of Webb County, Texas, a political subdivision of the State of Texas (hereinafter "Department") and Recovery Healthcare Corporation (hereinafter "Agency") to provide Global Positioning System (GPS) Monitoring, Radio Frequency (RF) Monitoring, Continuous Alcohol Monitoring, Breath-Alcohol Testing, and Drug Patch Testing services for the Department.

Whereas, the parties have determined that provisions of their existing agreement need to be revised in order to accurately reflect the agreement between the parties.

Now therefore, the parties hereby agree to amend the existing Agreement as follows:

1. Modification of Term Section:

This AGREEMENT shall be extended from July 9, 2017 and ending on September 30, 2017 (unless terminated herein under the provisions below). The agreement shall continue from October 1, 2017 to September 30, 2018, and shall continue for three (3) total years expiring September 30, 2021, unless either party provides notice to the other of its intent to terminate the agreement not less than thirty (30) days before the end of the then current term.

2. All other terms and conditions not explicitly revised by this amendment remain in effect.

EXECUTED TO BE EFFECTIVE AS OF July 8, 2017.

**DEPARTMENT:**  
**WEBB COUNTY PRE-TRIAL SERVICES**

By: Cornell Mickley 6/15/17  
Cornell Mickley, Director  
Webb County Pre-Trial Services

**AGENCY:**  
**RECOVERY HEALTHCARE CORP.**


By: \_\_\_\_\_  
Terry Fain, Chief Operating Officer  
Recovery Healthcare Corporation

**COUNTY OF WEBB:**

By: [Signature]  
Honorable Yano E. Tijerina  
Webb County Judge

**ATTEST:**

By: Margie Ramirez Ibarra  
Margie Ramirez Ibarra  
Webb County Clerk

The seal of Webb County, Texas, is circular and features a five-pointed star in the center. The words "WEBB COUNTY TEXAS" are inscribed around the top inner edge, and "COMMISSIONERS COURT" is inscribed around the bottom inner edge. The seal is stamped in a light gray color.

**APPROVED:**

By: [Signature]  
Marco A. Montemayor  
Webb County Attorney



**SERVICES OPERATIONS CONTRACT**

**WEBB COUNTY  
PRE-TRIAL SERVICES**

- Global Positioning Satellite Monitoring**
- Continuous Alcohol Monitoring**
- Radio Frequency Monitoring**
- Breath-Alcohol Testing**
- Drug Patch**

This operations Agreement (the "AGREEMENT") is made and entered into by and between Recovery Healthcare Corporation and

Webb County Pre-Trial Services ("DEPARTMENT")  
1110 Victoria Street  
Mail Box 13  
Laredo, TX, 78040  
Phone: (956) 523-4988

Appointment of Recovery Healthcare Corporation. In accordance with the terms and conditions set forth herein, and in consideration of the Payments hereinafter provided, Recovery Healthcare Corporation is hereby appointed to provide to DEPARTMENT, and Recovery Healthcare Corporation hereby agrees to furnish to DEPARTMENT, the Services provided for herein.

Term. This AGREEMENT shall become effective for a one (1) year period beginning on July 9, 2014 and ending on July 8, 2015 (unless terminated herein under the provisions below). The agreement becomes retroactive from July 9, 2015 to July 8, 2017, unless either party provides notice to the other of its intent to terminate the agreement not less than thirty (30) days before the end of the then current term.

**ARTICLE I  
RATES, MINIMUM REQUIREMENTS, AND STATEMENT OF SERVICES**

1.1 Recovery Healthcare Corporation and the Department agree to the following rates for offender and/or Department funded services:

PROGRAM	DEPARTMENT PAY		OFFENDER PAY	
	Daily Rate	RHC Set-Up	Daily Rate	RHC Set-Up
Passive GPS	\$5.00	\$50.00 Each New Enrollment	\$7.00	\$50.00 Each New Enrollment
Active GPS	\$7.00	\$50.00 Each New Enrollment	\$9.00	\$50.00 Each New Enrollment

Recovery Healthcare Corporation  
 9090 North Stemmons Freeway, Suite A  
 Dallas, TX 75247-3521  
 (975) 445-6300  
 (800) 566-3388

*offender pay*  
*\$279 = per month*  
*+ 50 = installation fee*  
*\$329 =*

PROGRAM	DEPARTMENT PAY		OFFENDER PAY	
	Daily Rate	RHC Set-Up	Daily Rate	RHC Set-Up
Radio Frequency Landline	\$6.00	\$50.00 Each New Enrollment	\$7.00	\$50.00 Each New Enrollment
SCRAM CAM	\$10.00	\$50.00 Each New Enrollment	\$12.00	\$50.00 Each New Enrollment
SCRAM CAM Ethernet	No Additional Charge		\$1.00	
SCRAM CAM Multi-Connect	No Additional Charge		\$1.00	
Soberlink	\$6.00	\$50.00 Each New Enrollment	\$6.00	\$50.00 Each New Enrollment
Remote Breath	\$6.00	\$75.00 Each New Enrollment	\$6.00	\$75.00 Each New Enrollment
Drug Patch	\$35.00 Per Application		\$50.00 Per Application	

1.2 Sole Source Provider. **Recovery Healthcare Corporation** has been duly certified as a sole source provider of SCRAM CAM and Soberlink products in the State of Texas.

1.3 Services. **Recovery Healthcare Corporation** shall, in accordance with the terms of this AGREEMENT, provide all necessary personnel, equipment, materials, supplies, and services and do all things necessary for, or incidental to, the provision of the services.

1.4 Court Testimony. **Recovery Healthcare Corporation** agrees to provide court testimony as required at no additional cost for DEPARTMENT funded services. The fee for offender funded programs will be determined on a case-by-case basis.

1.5 Other: (Specific Requirements for Offender and Department Funded Programs)

**I. General Duties of Recovery Healthcare Corporation:**

- (a) **Recovery Healthcare Corporation** may offer, for no additional cost, on-site program training and assistance for the Department's staff to explain the procedures for installation, monitoring, maintenance, de-installation and utilization of the monitoring software systems;
- (b) **Recovery Healthcare Corporation** (1-800-566-3388) provides live technical support to assist Department staff with questions or issues that may arise with the Continuous Alcohol Monitoring (CAM) and Breath-Alcohol Testing (BAT) programs from 7:00 a.m. to midnight, seven days per week including holidays;

- (c) **Recovery Healthcare Corporation**, in cooperation with 3M Electronic Monitoring, provides live technical support to assist **Department** staff with questions or issues that may arise with the GPS program 24 hours, seven days per week including holidays. **Department** staff should contact 3M Electronic Monitoring at (888) 858-9938 for overall monitoring system operational features or **Recovery Healthcare Corporation** at (1-800-566-3388) for issues pertaining to individual offenders or equipment repair needs;
- (d) **Recovery Healthcare Corporation**, for an additional fee, offers Enhanced GPS Monitoring consisting of:
  - Violation alert management 24/7/365 including holidays;
  - After hours telephonic notification to Department staff, if desired;
  - After hours telephonic contact with the offender to investigate alerts;
  - After hours e-mail reports from Monitoring Center staff to Department representatives of confirmed violations;
  - After hours telephonic law enforcement notification of confirmed violations committed by select offenders identified by the **Department**.
- (e) **Recovery Healthcare Corporation** will require the offender to complete a Program Participant Agreement or another document explaining his/her financial responsibility for lost/damaged/stolen equipment;
- (f) **Recovery Healthcare Corporation** will invoice the offenders in advance for the services provided;
- (g) **Recovery Healthcare Corporation** will pay the shipping costs for all equipment delivered to Webb County;
- (h) **Recovery Healthcare Corporation** will abide the sole responsibility for collecting, from the offenders, 100% of the cost for repairing or replacing all lost, damaged or stolen equipment. The **Department** will not be held responsible for reimbursing **Recovery Healthcare Corporation** for such equipment;
- (i) **Recovery Healthcare Corporation** will bill the offenders for the replacement and repair costs of all lost, damaged and stolen equipment:

GPS Bracelet	\$ 800.00
GPS Charger	\$ 50.00
GPS Strap	\$ 10.00
GPS Beacon	\$ 350.00
SCRAM CAM Bracelet	\$1,200.00



SCRAM CAM Base Station	\$ 400.00
SCRAM CAM Multi-Connect	\$ 400.00
SCRAM CAM Strap	\$ 100.00
SCRAM CAM Power Cord	\$ 7.00
SCRAM CAM Phone Cord	\$ 3.00
SCRAM CAM Antenna	\$ 15.00
Soberlink Device (SL-2)	\$ 600.00
Soberlink Charger	\$ 25.00
Soberlink Case	\$ 25.00

- (j) **Recovery Healthcare Corporation** reserves the right to file criminal charges against any offender who is responsible for lost, damaged or stolen equipment.

**II. General Duties of the Webb County Pre-Trial Services:**

- (a) The **Department** will provide installation of equipment in accordance with the manufacturer's recommended guidelines;
- (b) The **Department** staff will troubleshoot all alerts and tamper events;
- (c) The **Department** will provide written reports (via e-mail) of offender enrollment, non-compliance, termination, and any other information requested;
- (d) The **Department** will terminate monitoring immediately upon written request from the **Department** and make a good faith effort to recover all equipment within 24 hours;
- (e) The **Department** will report all incidents of lost, damaged and stolen equipment to **Recovery Healthcare Corporation** within one (1) calendar days of discovering the event.

**III. Limitations and Liabilities**

- (a) **Recovery Healthcare Corporation** expressly disclaims any warranty that its service or that its system is impervious to tampering. In no event shall **Recovery Healthcare Corporation** be liable for any direct, indirect, special, consequential, or incidental damages in connection with or arising out of the performance or use of the products or services provided under this agreement or any orders hereunder. In no event shall **Recovery Healthcare Corporation** assume or bear any responsibility or liability for acts that may be committed by an offender or persons subject to, using or monitoring the equipment;





- (b) **Recovery Healthcare Corporation** shall not be liable for any failure or delay in performance of this agreement hereunder which is due in whole or in part to any cause beyond its control;
- (c) **Recovery Healthcare Corporation** will maintain the right to conduct business development activities with other agencies, Courts, and service providers in **Webb County, Texas**.

## ARTICLE II REPRESENTATIONS AND WARRANTIES

**Recovery Healthcare Corporation** represents and warrants to and for the benefit of DEPARTMENT with the intent that DEPARTMENT rely thereon for the purposes hereof, the following:

2.1 Legal Status. **Recovery Healthcare Corporation** (1) is a validly organized and constituted sole proprietorship or partnership in the jurisdiction in which it is formed and in good standing therein; or, is a corporation duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated and in good standing therein; (2) is duly qualified to conduct business in the State of Texas; and (3) has legal power and authority to own or lease its properties and conduct its business as presently conducted.

2.2 Authorization. The making and performance of this AGREEMENT has been duly authorized by all necessary action and will not violate any provision of current law or **Recovery Healthcare Corporation's** charter or by-laws. The AGREEMENT has been duly executed and delivered by **Recovery Healthcare Corporation** and, assuming due execution and delivery by DEPARTMENT, constitutes a legal, valid, and binding AGREEMENT enforceable against **Recovery Healthcare Corporation** in accordance with its terms.

2.3 Taxes. **Recovery Healthcare Corporation** has filed all necessary federal, state, and foreign income and franchise tax returns and has paid all taxes as shown to be due thereon, including penalties and interest, or provided adequate reserves for payment thereof, except to the extent that same have become due and payable but are not yet delinquent, and except for any taxes and assessments of which the amount applicability or validity is currently being contested in good faith by appropriate proceedings.

2.4 No Child Support Owning. In accordance with 231.006 of the Texas Family Code, no person who is the sole proprietor, a partner, a shareholder, or an owner of twenty-five percent (25%) or more of **Recovery Healthcare Corporation** and who is now more than thirty (30) days delinquent in paying court ordered approved child support may receive payment from state funds under a contract. Under 231.006, Family Code, **Recovery Healthcare Corporation** certifies that it is not ineligible to receive the Payments and acknowledges that this AGREEMENT may be terminated and Payments may be withheld if this certification is inaccurate.

2.5 Use of Payments. No part of the Payments made to **Recovery Healthcare Corporation** will be expanded for any consultant fees, honorariums, or any other compensation to any employee of DEPARTMENT or for unallowable costs. **Recovery Healthcare Corporation** shall expend Payments made hereunder solely for providing direct services and for reasonable and allowable expenses directly related to the provision of Services.



2.6 Non-Discrimination. In the performance hereof, **Recovery Healthcare Corporation** warrants that it shall not discriminate against any employee, subcontractor, or offender on account of race, color, disability, religion, sex, national origin, age, or those who have or are perceived to have a disability because of AIDS or HIV infection, antibodies to HIV, or infection with any other probable causative agent of AIDS. **Recovery Healthcare Corporation** shall include the provisions of this paragraph regarding non-discrimination in each of its contracts with subcontractors so that such provisions will be binding upon each subcontractor.

2.7 Non-Collusion. **Recovery Healthcare Corporation** warrants that no Person, other than a bona fide employee, has been employed to solicit or secure this AGREEMENT with DEPARTMENT, and **Recovery Healthcare Corporation** has not paid or agreed to pay any Person, other than a bona fide employee, any fee, commission, percentage, or brokerage fee, gift, or any other consideration, contingent upon or resulting from the execution hereof. For breach or violation of this provision, DEPARTMENT shall have the right to terminate this AGREEMENT without liability, or at its discretion to deduct from Payments, or otherwise recover, the full amount of such fee, commission, brokerage fee, gift, or contingency fee.

### ARTICLE III GENERAL CONDITIONS

3.1 Duties and Obligations. **Recovery Healthcare Corporation** shall provide the Services in compliance with applicable federal and state law, including all constitutional, legal and court ordered requirements, whether now in effect or hereafter affected or implemented.

3.2 Visitation by State Employees. **Recovery Healthcare Corporation** shall at all times allow employees/agents of the Governor, members of the Legislature and all other members of the Executive and Judicial branches of the State of Texas, the Contract Monitor, and any other persons designated by the DEPARTMENT and/or the Texas Board of Criminal Justice to monitor the delivery of Services and contract compliance of the **Recovery Healthcare Corporation**.

3.3 No Subcontractors. No subcontractor may be utilized by **Recovery Healthcare Corporation** unless DEPARTMENT has furnished prior written approval.

3.4 Confidentiality. When applicable, records of identity, diagnosis, prognosis, or treatment of any offender through this AGREEMENT shall be confidential and may be disclosed only in accordance with applicable laws. No information may be released without the offender's written consent as documented by a signed information release form. **Recovery Healthcare Corporation** shall notify department in writing if any legal process requires disclosure of an offender's record and shall obtain written acknowledgement of same from DEPARTMENT'S Authorized Representative.

3.5 Termination at Will. Either party may terminate this AGREEMENT for any reason whatsoever, without cause and at any time, by furnishing to the other party thirty (30) days prior written notice. DEPARTMENT'S only obligation for terminating the AGREEMENT pursuant to this section shall be the payment to **Recovery Healthcare Corporation** of Payments earned hereunder up to the date of termination. **Recovery Healthcare Corporation's** only obligation for terminating this AGREEMENT pursuant to this section shall be to provide Services until the date of termination. Neither **Recovery Healthcare Corporation** nor DEPARTMENT shall thereafter be entitled to any other compensation.

3.6 Record Retention. All records shall be the property of DEPARTMENT. All records (electronic or paper) pertinent to the provisions of Services hereunder shall be retained by the **Recovery Healthcare Corporation** for a period of five years with the following qualification: If any audit, litigation or claim is started before the expiration of the five-year period, the records shall be retained until all audits, litigation, claims, or other findings involving the records have been resolved. The retention period for all records begins after DEPARTMENT has made the final Payment in accordance with this AGREEMENT. At the end of the five-year period, **Recovery Healthcare Corporation** will request disposition instructions from DEPARTMENT.

**ARTICLE IV**  
**ADMINISTRATION AND FISCAL SYSTEM**

4.1 Administrative Controls. **Recovery Healthcare Corporation** shall establish, document and maintain adequate administrative, financial, and internal controls to ensure that only allowable and reasonable costs are expended under this AGREEMENT.

4.2 Governing Board Responsibility. The appropriate governing board or entity of **Recovery Healthcare Corporation** shall bear full responsibility for the integrity of the services provided, including compliance with applicable federal and state laws and regulations. Ignorance of any AGREEMENT provisions or other requirements contained herein shall not constitute a defense or basis for waiving or appealing such provisions or requirements.

4.3 Conflict of Interest. **Recovery Healthcare Corporation** shall not refer offenders for additional services without prior written approval of the DEPARTMENT. **Recovery Healthcare Corporation** shall develop and implement written internal policies that may be reviewed by the DEPARTMENT to ensure that members of the governing board, contractual personnel, consultants, volunteers, and employees do not use their positions with **Recovery Healthcare Corporation** for a purpose that is, or gives the appearance of being, motivated by a desire for personal gain or gain by a family member.

4.4 Remuneration. Staff of **Recovery Healthcare Corporation** shall not pay or receive any commission, consideration, or benefit of any kind related to the referral of an offender for treatment or engage in fee-splitting with other professionals.

4.5 Audits. **Recovery Healthcare Corporation** agrees to furnish DEPARTMENT and/or TDCJ with such information as may be required relating to the Services rendered hereunder. **Recovery Healthcare Corporation** shall permit DEPARTMENT to audit and inspect records and reports and to evaluate the performance of Services at any time. **Recovery Healthcare Corporation** shall provide reasonable access to all records, books, reports, and other necessary data and information needed to accomplish review of program activities, services, and expenditures, including cooperation with DEPARTMENT in its performance of random or routine audits to determine the accuracy of **Recovery Healthcare Corporation** reports.

4.6 Disclosure. **Recovery Healthcare Corporation** is required to immediately or timely, as the case may be, disclose to DEPARTMENT and TDCJ-CJAD the following:

- (a) If any Person who is an employee or director of **Recovery Healthcare Corporation** is required to register as a lobbyist under Texas Government Code Chapter 305, at any time during the term hereof, **Recovery Healthcare Corporation** shall provide to DEPARTMENT and TDCJ-CJAD timely copies of all reports filed with the Texas Ethics Commission as required by Chapter 305;



(b) If any Person who is an employee, subcontractor, or director of **Recovery Healthcare Corporation** is or becomes an elected official (i.e., an elected or appointed state official or member of the judiciary, or a United States congressman or senator), during the term hereof;

(c) Report any actions or citations by federal, state, or local governmental agencies that may affect **Recovery Healthcare Corporation's** licensure status or its ability to provide Services hereunder.

4.7 Withhold Payments. The DEPARTMENT may withhold payments for any ineligible claims including inadequate or untimely monthly invoices until such time as the ineligible, inadequate or untimely claim is resubmitted and/or corrected by **Recovery Healthcare Corporation**. **Recovery Healthcare Corporation** agrees to return any unearned amounts paid by the DEPARTMENT within (30) days following the final date of the contract period, or at the DEPARTMENT'S option, within thirty (30) days following the DEPARTMENT'S delivery to **Recovery Healthcare Corporation** a notice that amounts paid are to be returned to the DEPARTMENT.

4.8 Accounting Records. **Recovery Healthcare Corporation** agrees to maintain a separate accounting or bookkeeping system specifically isolating the revenue and expenditures associated with this AGREEMENT in accordance with fund accounting principles.

4.9 Payments to Recovery Healthcare Corporation. **Recovery Healthcare Corporation** shall submit Monthly Invoices (in writing or electronically) as required herein and shall receive payments from DEPARTMENT based thereon, subject to the provisions in this AGREEMENT. **Recovery Healthcare Corporation** will provide an itemized list of Services performed during the invoice period, including the names of all offenders served, the service provided, and the amount of time rendered with each. DEPARTMENT agrees to pay **Recovery Healthcare Corporation** within thirty (30) days after receipt of the Monthly Invoice.

4.10 Specific Measures. All terms of this AGREEMENT are subject to monitoring and verification; however, the **Recovery Healthcare Corporation** must have available for the DEPARTMENT'S inspection records to support performance of those measures outlined in Article I herein.

4.11 Misspent Funds. **Recovery Healthcare Corporation** will refund expenditures of **Recovery Healthcare Corporation** that are contrary to this AGREEMENT and deemed inappropriate by the DEPARTMENT or designee.

## ARTICLE V DEFAULT AND TERMINATION

5.1 Default by Recovery Healthcare Corporation. Each of the following shall constitute an Event of Default on the part of the **Recovery Healthcare Corporation**:

- a. A material failure to keep, observe, perform, meet, or comply with any covenant, term, or provision hereof, which failure continues for a period of twenty (20) days after receipt of **Recovery Healthcare Corporation** of written notification thereof;

- b. (1) Admit in writing its inability to pay its debts; (2) make a general assignment for the benefit of creditors; (3) suffer a decree or order appointing a receiver or trustee for it or substantially all of its property, and, if entered without its consent, same is not stayed or discharged within sixty (60) days of such decree or order,
- c. (4) suffer filing under any law relating to bankruptcy, insolvency, or the reorganization for relief of debtors by or against it and, if contested by it, not to be dismissed or stayed within sixty (60) days of such filing; or suffer any judgment, writ of attachment or execution, or any similar process issued or levied against a substantial part of its property that is not released, stayed, bonded, or vacated with sixty (60) days after such issuance or levy, and
- d. The discovery by DEPARTMENT that any statement, representation of warranty in this AGREEMENT is false, misleading, or erroneous in any material respect.

**5.2 Remedy of DEPARTMENT.** Upon the occurrence of an Event of Default by **Recovery Healthcare Corporation**, DEPARTMENT shall notify **Recovery Healthcare Corporation** of such Event of Default, and subject to the time provisions of Section 5.1 hereof, DEPARTMENT shall have the right to pursue any remedy it may have at law or in equity, including, but not limited to, (a) suspend referral of offender; (b) suspend payment; (c) taking action to cure the Event of Default, in which case DEPARTMENT may offset against any Payments owed to **Recovery Healthcare Corporation** all reasonable costs incurred by DEPARTMENT in connection with its efforts to cure such Event of Default; and (d) termination and removal of **Recovery Healthcare Corporation** as provider of Services. In the event of **Recovery Healthcare Corporation's** removal due to an Event of Default, DEPARTMENT shall have no further obligations to **Recovery Healthcare Corporation** after such removal and in such event, **Recovery Healthcare Corporation** agrees to cooperate with DEPARTMENT regarding a transition to new provider of Services.

**5.3 Default by DEPARTMENT.** The following shall constitute an Event of Default on the part of DEPARTMENT: failure by DEPARTMENT to pay within thirty (30) days after Payment is due any Payment required to be paid pursuant to the terms hereof, provided such failure to pay shall not constitute an Event of Default if the Comptroller of the State of Texas has withheld any payments pursuant to statutory authority.

**5.4 Remedy of Recovery Healthcare Corporation.** Upon an Event of Default by DEPARTMENT, **Recovery Healthcare Corporation's** sole remedy shall be to terminate this AGREEMENT. Upon such termination, **Recovery Healthcare Corporation** shall be entitled to receive Payment from DEPARTMENT for all Services satisfactorily furnished hereunder up to and including the date of termination.

**5.5 AGREEMENT Subject to Availability of Funds.** This AGREEMENT will be subject to the availability of funds as appropriated by the State Legislature and as made available by the Community Justice Assistance Division of the Texas Department of Criminal Justice. If such funds become reduced or unavailable, this AGREEMENT shall be subject to immediate modification, reduction or termination.