

INDEPENDENT CONTRACTOR AGREEMENT

This **INDEPENDENT CONTRACTOR AGREEMENT** (this “Agreement”) is made this 30th day of September, 2019, (the “Effective Date”), by and between **CHESTNUT HEALTH SYSTEMS, INC.**, an Illinois not-for-profit corporation (“Contractor”), and **WEBB COUNTY COURT-AT-LAW II DWI COURT** (“Engaging Party”). Engaging Party and Contractor are sometimes each referred to herein as a “Party” and collectively as the “Parties”.

1. **INDEPENDENT CONTRACTOR.** In the performance of the Services (as defined in Section 2 hereof), it is mutually understood and agreed that Contractor is at all times acting and performing as an independent contractor and that Engaging Party shall have no control over the manner or method by which Contractor meets its obligations hereunder, provided that the Services are performed in accordance with Section 2 hereof. Contractor shall neither hold itself out to be, nor should it be construed to be, an agent, partner, employer, employee, joint venturer, or representative of Engaging Party. Contractor shall not have the express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of Engaging Party except as expressly authorized in writing by a representative of Engaging Party with authority to bind Engaging Party. Engaging Party shall have no responsibility to withhold federal, state or local taxes or Social Security and Contractor shall be solely responsible for payment of any such taxes due to the proper taxing authorities. Engaging Party is under no obligation to provide worker’s compensation, unemployment or other insurance, or any other type of employee benefit to Contractor or to any of Contractor’s staff. This Section shall survive expiration or earlier termination of this Agreement.

2. **SCOPE OF SERVICES.** Engaging Party hereby retains Contractor to perform those services specified on Exhibit A (the “Services”) attached hereto and incorporated herein by this reference. Contractor shall render the Services in a competent, efficient and professional manner in accordance with (a) Chestnut’s policies and procedures, (b) Engaging Party’s Code of Conduct and Ethics, and (c) all applicable federal, state and local laws, rules, and regulations. Engaging Party shall have the sole discretion to establish the minimum professional qualifications necessary for the performance of the Services.

3. **LIMITATION ON AUTHORITY.** Contractor shall have no authority to (a) sign any documents on Engaging Party behalf or to otherwise legally bind or obligate Engaging Party, or (b) perform Services that would cost in excess of the maximum dollar authorization referenced in Section 5.1 hereof, if any.

4. **SCHEDULE.** Contractor shall perform the Services pursuant to a schedule mutually agreed upon by the Parties.

5. **COMPENSATION.**

5.1 **Compensation.** Subject to Section 5.2 hereof, Engaging Party shall compensate Contractor for Services actually performed by Contractor in accordance with Exhibit B attached hereto and incorporated herein by this reference; provided that in no event shall compensation to Contractor under this Agreement exceed the maximum dollar authorization set forth in Exhibit B (if any) unless otherwise agreed to by Engaging Party in writing. Further, Engaging Party shall reimburse Contractor, without markup, for reasonable, preapproved, and documented expenses incurred by Contractor in performing the Services. Reimbursement for mileage, if any, shall be at the then-current Internal Revenue Service mileage reimbursement rate. This Agreement shall not constitute a guarantee by Engaging Party to retain Contractor for any minimum amount of Services.

5.2 **Invoices.** Unless otherwise specified in Exhibit B, Contractor shall invoice Engaging Party for Services rendered each month on or before the tenth (10th) day of the subsequent month. Each invoice shall (a) include the monthly amount due to Contractor, (b) include an itemized description of preapproved expenses actually incurred in connection with the Services, (c) have attached to it adequate documentation to substantiate such preapproved expenses, as determined by

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Engaging Party, (d) otherwise contain content and be in such form as Engaging Party may reasonably require, (e) include Contractor's Federal Employer Identification Number, and (f) be signed and dated by Contractor. All invoiced amounts shall be consistent with the compensation rates and expense reimbursement practice set forth in Exhibit B. Engaging Party shall be under no obligation to compensate Contractor for any services rendered that are not set forth in Exhibit A or reimburse Contractor for any expenses incurred by Contractor that are not approved in advance by Engaging Party or for which Contractor fails to provide adequate substantiating documentation. Engaging Party shall use its best efforts to pay approved and undisputed invoices within thirty (30) days of its receipt of same.

6. **REPORTING.** Services performed under this Agreement shall be overseen by the following Engaging Party representative(s): Laine Twanow. Contractor will coordinate its activities hereunder with such individual(s) and provide to Engaging Party such written reports of activities, financial spreadsheets, or other written recommendations or documentation requested by Engaging Party.

7. **CONTRACTOR REPRESENTATIONS.** Contractor represents and warrants that it has the requisite skill and knowledge to perform the Services. Further, Contractor represents and warrants that it has the right to perform the Services required under this Agreement without violation of obligations to third parties and that Contractor has the right to disclose to Engaging Party all information transmitted to Engaging Party in the performance of Services under this Agreement. Contractor agrees that any information submitted to Engaging Party, whether or not patentable, may be utilized fully and freely by Engaging Party. Contractor further represents and warrants that, if applicable, Contractor is properly licensed and credentialed to perform all Services contemplated by this Agreement. This Section shall survive expiration or earlier termination of this Agreement.

8. **CONFIDENTIALITY.**

8.1 Contractor shall maintain the confidentiality of Engaging Party and its affiliates', customers', and clients' information acquired by virtue of, arising out of, or otherwise created or maintained in connection with the performance of the Services. Contractor shall not use for Contractor's benefit or for the benefit of others, or divulge to others, any information, knowledge or data of a confidential or proprietary nature, including without limitation, trade secrets, business and financial methods or practices, pricing, products, software, research, services, client lists, processes, know-how, designs, formulas and any other subject matter pertaining to any business of Engaging Party or its affiliates, customers, or clients or otherwise not readily available to members of the general public that concerns the business affairs of Engaging Party or its affiliates, customers, or clients.

8.2 **Defend Trade Secrets Act of 2016.** Notwithstanding the nondisclosure obligations contained in this Agreement, nothing in this Agreement is intended to interfere with or discourage a good faith disclosure to any governmental entity related to a suspected violation of the law. Neither Party will be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret, or confidential information, that is made: (a) in confidence to a federal, state, or local government official, either directly or indirectly, to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) in a compliant or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Neither Party will retaliate against the other Party in any way for a disclosure made in accordance with 18 U.S.C. Section 1833.

8.3 Contractor acknowledges that to the extent Contractor receives, stores or otherwise deals with any Engaging Party client information, Contractor is bound by the requirements of (a) The Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and the implementing regulations thereunder, including but not limited to, the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 (the "Privacy Rule") and the Security Standards for the Protection of Electronic

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Health Information at 45 CFR Parts 160 and 164 (the "Security Rule"), and the requirements of the final modifications of the HIPAA Privacy rule, Security Rule, et al., issued on January 25, 2013, and effective March 26, 2013, as may be amended from time to time; (b) the federal regulations on the Confidentiality of Alcohol and Drug Abuse Patient Records found at 42 C.F.R. Part 2; and/or (c) the Illinois Mental Health and Developmental Disabilities Confidentiality Act found at 740 ILCS 110. Contractor agrees to execute such Business Associate Agreement, Qualified Service Organization Agreement, Business Associate/Qualified Service Organization Agreement, or other agreements as may be required by ENGAGING PARTY and to otherwise comply with all laws applicable to the confidentiality of client information.

8.4 This Section shall survive expiration or earlier termination of this Agreement.

9. WORK FOR HIRE. Contractor acknowledges that any documents drafted or prepared by Contractor in the performance of the Services hereunder are created at Engaging Party request and expense. The documents, including any forms, reports, policies, procedures, articles or training materials (the "Work Product"), and the copyright, patent, trademark, trade secret, intellectual property and all other proprietary rights in and to the Work Product and any derivative works created from the Work Product shall be the sole and exclusive property of Engaging Party. Contractor agrees that all copyrightable aspects of the Work Products shall be considered "work made for hire" within the meaning of the Copyright Act of 1976, as amended. To the extent that Contractor has any rights in the Work Product, Contractor hereby assigns any and all of his interest in those rights to Engaging Party and agrees to execute any and all documents in the future to further effectuate such assignments. For purposes of this Section, the term "Work Product" excludes any pre-existing documents, templates or models that were previously exclusively created by Contractor. This Section shall survive expiration or earlier termination of this Agreement.

10. TERM AND TERMINATION.

10.1 Term. This Agreement shall commence on the Effective Date and continue until September 29, 2020.

10.2 Termination. This Agreement may be terminated as follows:

10.2.1 Immediately by Engaging Party in the event of a breach of any provision of this Agreement by Contractor, which breach has not been cured within seven (7) business days of notification by Engaging Party to Contractor of said breach. Engaging Party's right to terminate this Agreement in the event of breach by Contractor shall not be Engaging Party's exclusive remedy for such breach.

10.2.2 Immediately upon the death or incapacitation of Contractor or any employee of Contractor deemed by Engaging Party to be vital to the completion of the Services.

10.2.3 By either Party at any time without cause upon five (5) business days' prior written notice to the other Party.

10.2.4 By Engaging Party at any time if (a) Contractor assigns this Agreement or any right or obligation hereunder without the prior written consent of Engaging Party, (b) if applicable, there is a change in the control or management of Contractor that is unacceptable to Engaging Party, (c) if applicable, Contractor ceases to function as a going concern, or (d) Contractor ceases to conduct operations in the normal course of business.

10.2.5 In the event that any law or regulation enacted, promulgated or amended after the date of this Agreement, or any interpretation of law or regulation by a court or regulatory authority of competent jurisdiction after the date of this Agreement (collectively, "Change in Law") materially affects or materially impacts the rights or obligations of either

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Party under this Agreement, renders any provision of this Agreement illegal or enforceable, or materially affects the ability of either Party to perform its obligations under this Agreement, then either Party may request renegotiation of the applicable terms of this Agreement by written notice to the other Party. Both Parties agree to negotiate in good faith an amendment which preserves the original rights and obligations of the Parties to the extent possible in a manner consistent with the Change in Law. If no such amendment can be agreed upon in the reasonable opinion of either Party within sixty (60) days after receipt of such notice, then Engaging Party or Contractor may terminate this Agreement upon an additional thirty (30) days' written notice to the other Party.

10.3 Effect of Termination. Upon termination of this Agreement, Contractor shall return to Engaging Party all Engaging Party information then in Contractor's possession, including all paper and electronic copies of same.

11. INDEMNIFICATION.

11.1 Contractor shall indemnify, defend, and hold harmless Engaging Party and any and all of Engaging Party's affiliates, and each of their officers, directors, owners, managers, members, employees, agents, successors, and assigns (collectively, the "Engaging Party Indemnified Parties"), from and against: (a) any and all damage to an Engaging Party Indemnified Party resulting from any misrepresentation, breach of warranty or non-fulfillment of any agreement by Contractor; (b) any and all actions, suits, proceedings, causes of action, demands, assessments, and judgments, and reasonable costs and legal and other expenses incident to, the preceding subsection (a); (c) any and all actions, suits, proceedings, causes of action, demands, assessments, and judgments of any nature, and reasonable costs and legal and other expenses incident thereto, relating to the Services performed hereunder that exceed the scope of authority granted by Engaging Party hereby; and (d) any and all claims relating to the payment of income and other taxes owed by Contractor as a result of the Services performed hereunder. This Section shall survive expiration or earlier termination of this Agreement.

11.2 Where any of the Engaging Party Indemnified Parties intends to seek indemnification pursuant to the terms of this Section, such Engaging Party Indemnified Party (or Engaging Party Indemnified Parties, as applicable) shall promptly notify Contractor as to: (a) the nature of the claim asserted, and (b) the commencement of any suit or proceeding brought to enforce such claim. Upon acknowledging the right to indemnity, Contractor shall be entitled to assume the defense of any such suit or proceeding and the Engaging Party Indemnified Party (or Engaging Party Indemnified Parties, as applicable) being indemnified shall cooperate and shall be entitled to consult with respect to such defense. If Contractor elects to assume any such defense, the Engaging Party Indemnified Party (or Engaging Party Indemnified Parties, as applicable) shall not be liable for any legal or other expenses subsequently incurred directly by the Engaging Party Indemnified Party (or Engaging Party Indemnified Parties, as applicable) in connection with such defense.

12. INSURANCE. Contractor shall, at Contractor's sole cost and expense, obtain and maintain such insurance coverages as Engaging Party may reasonably require, if any, as specified in Exhibit C.

13. NON-INTERFERENCE. During the term of this Agreement, neither Party may take any steps to actively interfere with a contractual or other business relationship of the other Party.

14. ADDITIONAL TERMS AND CONDITIONS. Any additional terms and conditions relating to this Agreement are included in Exhibit C attached hereto and incorporated herein by this reference.

15. MISCELLANEOUS.

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15.1 Compliance with Law. Each Party agrees to perform its responsibilities hereunder in accordance with all applicable laws.

15.2 Notices. Any and all notices, demands, requests, and other communications required or permitted hereunder shall be in writing and shall be given in person or by registered mail, return receipt requested, or by facsimile or electronic transmission, addressed as follows. Any notice shall be deemed to have been given at the time of actual receipt.

If to Contractor:

Chestnut Health Systems, Inc.
Attention: Puneet Leekha, General Counsel
1003 Martin Luther King Drive
Bloomington, Illinois 61701
Email: pleekha@chestnut.org

If to Engaging Party:

Name: Webb County Court at Law II
Attention: Arnold J. Lozano Victor Vasquez III
Address: 1110 Victoria St. Suite 404
Address: Laredo, Texas 78040
Email: arjlozanovasquez@webbcountytx.gov ___

15.3 Amendments. This Agreement may only be amended or modified in writing as mutually agreed upon by the Parties.

15.4 Assignment. The Parties expressly agree that neither Party may assign any of its rights or responsibilities under this Agreement to any individual or entity without the prior written consent of the other Party. Notwithstanding the foregoing, Contractor acknowledges that Engaging Party may assign any or all of its rights or responsibilities under this Agreement to any of its wholly-owned subsidiaries, affiliates, or related entities, or another related entity, without the consent of Contractor.

15.5 Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid or unenforceable provisions were omitted.

15.6 Waiver. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions hereof.

15.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of ~~Texas~~ Illinois.

15.8 Entire Agreement. This Agreement, including any exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof. There are no representations, agreements, arrangements, restrictions, limitations or understandings, oral or written, between the Parties relating to the subject matter of this Agreement that are not fully expressed herein.

15.9 No Third-Party Beneficiaries. No person or entity that is not a party to this Agreement will be a third party beneficiary of any rights or obligations hereunder or be entitled to enforce any of said rights or obligations.

15.10 Headings. Section headings have been inserted into this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not part of this Agreement and shall not be used in the interpretation of any provisions of this Agreement.

15.11 **Remedies Cumulative.** No remedy set forth in this Agreement or otherwise conferred upon or reserved to either party shall be considered exclusive of any other remedy.

15.12 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which shall together constitute one and the same document. Delivery of an executed counterpart of this Agreement by electronic or facsimile transmission shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Agreement by electronic or facsimile transmission shall also deliver an original executed counterpart, but failure to deliver an original executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

15.13 **Drafting.** Contractor, or Contractor's legal counsel, has drafted this Agreement solely as a matter of convenience for the Parties hereto. Each Party has carefully reviewed and negotiated the terms of this Agreement and, accordingly, any drafting errors, ambiguities or inconsistencies will not be interpreted against Contractor.

15.14 **Expenses.** Each Party will pay its own fees and expenses and those of its agents, advisors, attorneys and accountants, with respect to the preparation and negotiation of this Agreement.

IN WITNESS WHEREOF, the Parties have signed this **INDEPENDENT CONTRACTOR AGREEMENT** as of the date first set forth above.

CONTRACTOR:

ENGAGING PARTY:


CHESTNUT HEALTH SYSTEMS, INC.

WEBB COUNTY COURT-AT-LAW II DWI COURT

By:

Name:

Title:


Puneet Leekha
Chief Operating Officer and General Counsel

By:

Name:

Title:

FEIN:

Exhibit A

SCOPE OF SERVICES

1) **GAIN ABS Account access for 5 authorized individuals for September 30, 2019 – September 29, 2020.

**Effective Date of Services begins September 30, 2019 – September 29, 2020. Services must be renewed annually.

Exhibit B

COMPENSATION

- 1) GAIN ABS Account access for 5 authorized users (\$252 per user per year) for the Service Period of September 30, 2019 – September 29, 2020: \$1,260.00.

Total Cost for Service Period: \$1,260

Exhibit C

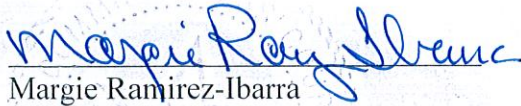
ADDITIONAL TERMS AND CONDITIONS

WEBB COUNTY



Tano E. Fijerina
Webb County Judge

ATTESTED:



Margie Ramirez-Ibarra
Webb County Clerk

APPROVED AS TO FORM:



Jorge L. Treviño
Assistant General Counsel
Civil Legal Division *

*The General Counsel, Civil Legal Division's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

Passed and approved by the Webb County Commissioners Court
On March 9, 2020; item no 6.f.