

MANAGEMENT CONTRACT

MANAGEMENT CONTRACT, made and entered into as of the 23rd day of June, 2008, by and between CHAMPAIGN COUNTY, an Illinois governmental entity owning and operating as Champaign County Nursing Home, (the "Home"), and MANAGEMENT PERFORMANCE ASSOCIATES, INC., a Missouri corporation, (the "Manager"),

W I T N E S S E T H:

Home operates and maintains in Champaign County, Illinois, a rehabilitation and nursing facility for the enhancement of the health of those in the community served by this healthcare facility.

Manager has access to a diversified staff of competent personnel, highly trained and experienced in the principal areas of business administration, and management services, encompassing the specific purpose of the Home, as hereinabove described.

NOW, THEREFORE, in consideration of the terms, conditions and covenants herein set forth, the Home and Manager hereby jointly agree as follows:

I. DEFINITIONS

For the purpose of this Contract, the following terms shall have the meanings ascribed thereto unless otherwise clearly required by the context in which such term is used.

1. Champaign County Board: The term "Champaign County Board" shall mean those elected representatives who comprise the Champaign County Board. At all times, the Champaign County Board shall represent the ultimate governing authority for

the Home. The Champaign County Board shall elect to have an Advisory Board be its point of contact for the services described in this Contract.

2. Approved Budget: The term "Approved Budget" shall mean the budget as approved as set out in Section 4.13-6 hereof.

3. Home: The term "Home" shall mean the 243-bed, rehabilitation and nursing center located at 500 South Art Bartell Drive, Urbana, Champaign County, Illinois, 61802 currently known as the Champaign County Nursing Home.

4. Home Expense: The term "Home Expense" shall mean an expense to be paid or incurred by Home in the normal course of business.

5. Management Fee: The term "Management Fee" shall mean the fee paid to Manager provided for in Section 6 hereof.

6. Manager: The term "Manager" shall mean Management Performance Associates, Inc., a Missouri corporation.

7. Primary Goal: The term "Primary Goal" shall mean the joint goal of the Home and Manager as herein set out in Section 2.

8. State: The term "State" shall mean the State of Illinois, unless otherwise specifically indicated.

9. Term: The term "Term" shall mean the duration of this Contract as set out in Section 8 hereof.

10. Contract: The term "Contract" shall mean this Management Contract made and entered into by Home and Manager.

11. Directors: The term "Directors" shall mean the members of the Champaign County Nursing Home Board of Directors or its designee.

12. Nursing Board: the term "Nursing Board" shall mean the Champaign County Nursing Home Board of Directors.

II. PRIMARY GOAL

The primary goal of this Management Contract is the collective joint goal of the Home and Manager to:

1. At all times acknowledge, and implement the mission of Home (*defined in the Nursing Board Bylaws as approved by the Champaign County Board*), which is exclusively under the direction of the Nursing Board;
2. Provide an objective reporting channel to the Home through its Board of Directors;
3. Promote strong administration and management controls between Home and Manager;
4. Maintain and strive to continually improve the operations of the Home to:
 - a. Provide quality nursing and rehabilitation services;
 - b. Maintain programs to promote the effective utilization of Home's services;
 - c. Maintain a deserved public image of excellence for Home;
 - d. Maintain quality staffing of Home;
 - e. Operate Home on a sound, self-supporting financial basis so that the Home is able to operate without County loans, within the property tax subsidy, and with the County being responsible for debt service;
 - f. Institute sound financial accounting systems in the Home;
 - g. Institute in Home internal fiscal controls through budgeting procedures;

- h. Prevent loss of revenues to Home through sound billing procedures;
- i. Control the cash position of Home through sound collection methods;
and
- j. Take such other steps as are necessary to provide top quality care to all residents of Home.
- k. Adhere to and fully cooperate with all applicable State and Federal rules and regulations, including but not limited to the Nursing Home Care Act

III. MANAGER OF OPERATIONS

By the terms of this Contract, and subject to all of the terms and conditions herein contained, Manager shall act for and on behalf of the Champaign County Board as sole Manager of the Home. At all times, however, the Home, by and through its Champaign County Board, shall retain and exercise the ultimate control and direction of the assets, policy and affairs of Home, including all medical, governance, and collective bargaining decisions, policies, and matters pertaining to Home, consistent with the primary purpose of Home hereinabove stated. Subject to the foregoing reservations of power to the Champaign County Board and Nursing Board, nothing in this Contract shall be construed to prohibit Manager from contracting with other parties to provide similar services to those being provided hereunder or any other service. Furthermore, nothing herein shall be construed as requiring Manager to maintain specific working hours. Manager shall maintain its own schedule so long as such schedule does not interfere with Manager's ability to meet its obligations hereunder.

IV. MANAGER'S DUTIES

Consistent with the provisions of this Contract and the Primary Goal, Manager shall assist Directors in Directors' supervision, management, and operation of Home which shall include the following:

4.1 General Responsibility. Consistent with the provisions of this Contract, Manager shall provide managerial services for Home, including the specific managerial and consulting services to Home as hereinafter set forth in this Section. As manager of Home, Manager shall have the general responsibility to implement all aspects of the operation of Home in accordance with established policies and procedures of the Champaign County Board and the Nursing Board, and shall have responsibility and commensurate authority for all such activities. Manager shall make monthly written reports to the Nursing Board and shall meet with the Nursing Board at least every two (2) months. The Manager shall also make an annual report to the Nursing Board. In the event Directors fail to establish such policies or procedures, for whatever reason, Manager may, but is in no way obligated to, establish such policies and procedures as Manager selects.

4.2 Administrator. Manager shall provide and employ a qualified health care executive acceptable to the Champaign County Board to act as Administrator for the Home and Manager's provision of Administrator shall be a Home Expense. The compensation package for the Administrator shall be pre-approved by the Champaign County Board and will be contained in Exhibit A and shall be made a part of this Contract once the Administrator is hired. Manager may from time to time substitute a

qualified Administrator, which substitution shall be approved by the Champaign County Board.

4.3 Manager's Consultants. Manager shall make available to, or obtain the services for, the Home for consultation and advice to the extent deemed appropriate by Manager, the current staff specialists of or available to Manager in areas of operations of facilities similar to Home, including accounting, budgeting, finance, human resources, government programs, insurance, marketing, productivity management, public health surveillance, systems, and procedures, third party reimbursement, and special consultants in other areas of operations as Manager may have available in the future. All expenses under this Section shall be a Manager Expense.

4.4 Special Consultants. Should Directors request a type, form, or level of special consultant, including, but not limited to, underwriters, bond counsel, expert witnesses or other reasonably necessary consultants, which Manager cannot fully provide, or cause to be provided, Manager shall endeavor to locate and make available such special consultant service, the cost of which, including, but not limited to, application fees and license fees, shall be a Home Expense. Legal Services, other than those routinely provided by the Champaign County State's Attorney, will be subject to the prior approval by the State's Attorney and will also be a Home Expense. Manager shall provide Home recording and documentation of all such consultant service so performed including a full description of the services performed and the duration of attendance within Home. Such consultant service is expressly limited to personal consulting exclusive of any obligation to provide equipment or products, including data processing.

4.5 Contracts. Manager shall advise and assist Home in securing and retaining contracts in the name and for the account of Home with such individuals or entities necessary for the proper and efficient functioning of Home, the cost of which shall be a Home Expense.

4.6 Equipment and Supplies. During the Term, Manager shall cause to be obtained equipment and supplies appropriate for operation of the Home, the cost of which shall be a Home Expense.

4.7 Labor Organization. At the request of the Home, Manager shall advise and assist Home in any matter involving the possible unionization of the employees of Home and in negotiations with any labor union lawfully entitled to represent the employees of Home.

4.8 Maintenance and Repair. Manager shall keep the Home in good working order and condition and make all necessary and proper repairs in and to Home, its furnishings and equipment, the cost of which shall be a Home Expense.

4.9 Regulatory and Contractual Requirements. Subject to the direction and consent of the Nursing Board, Manager shall attempt to cause all things to be done in and about Home reasonably necessary to comply with the requirements of any applicable constitution, statute, ordinance, law, rule, regulation, or order of any governmental or regulatory body respecting the use of Home or the construction, maintenance, or operation thereof. Subject to the direction and consent of the Nursing Board, Manager shall further cause to be discharged all duties with respect to the operation of Home required by any applicable standard, interpretation, ruling, or

regulation of the United States Department of Health and Human Services, the Illinois Department of Health, or of any other governmental agency, or entity exercising authority to administer, regulate, accredit, or otherwise set standards for facilities such as Home, the cost of which shall be a Home Expense.

4.10 Insurance. Manager shall periodically review the insurance program of Home and make recommendations with respect thereto to the Champaign County Board. The Champaign County Board shall negotiate a contract or contracts for, and keep in full force and effect, all policies of insurance of the type, extent, and cost of coverage which is consistent with sound management of the Home, insuring the Home, and the Champaign County Board thereof, and Manager with limits of coverage of not less than \$5,000,000.00 per occurrence and \$5,000,000.00 in the aggregate, against the risks customarily insured against by such a Home, the cost of which insurance shall be a Home Expense. Such insurance shall include coverages for building and contents, comprehensive general liability, professional liability, directors' and officers' liability, blanket fidelity bond coverage, boiler explosion, comprehensive automobile liability, statutory workers' compensation coverage, and excess liability coverage, which coverage shall name Manger as an additional insured. Certificates of insurance (and any renewals thereof) evidencing such coverage, cancelable only upon not less than ten (10) days prior written notice, shall be delivered to Directors and Manager as soon as practicable after the date hereof (and any renewal date of such insurance policies). The Champaign County Board may fulfill any or all of its obligations hereunder through a program of self-insurance, the details of which shall be reviewed with Manager.

Manager shall obtain a business owner's comprehensive general liability policy of insurance in an amount not less than \$1,000,000.00 combined single limit naming Champaign County, Illinois, and its Board as additional insured and will provide the Champaign County Board with a copy of the endorsement and proof of insurance, cancelable only upon not less than ten (10) days prior written notice, the cost of which insurance shall be a Manager Expense.

4.11 Legal Actions. Manager shall advise and assist the Home, and the Champaign County Board thereof, in instituting or defending all actions by or against third parties arising out of the operation of Home during the Term, the cost of which shall be a Home Expense.

4.12 Compliance with Third-Party Payor Requirements. Manager recognizes that Home is a participant in various third-party payment programs, including Medicare and Medicaid, which participation is essential to the financial viability of Home. Therefore, in connection with the subject matter of this Contract, Manager agrees to fully cooperate with Home to meet all reasonable requirements for participation and payment associated with such third-party payment program, including the matters more specifically discussed in Section 4.12 below.

4.13 Third-Party Payment Programs. Home shall properly prepare, sign, and timely file all claims, cost reports, or other documentation required by the Medicare Program, Medicaid Program, and any other third-party payor for the operations of the Home prior to or during the Term. Home shall be solely liable for, and shall hold Manager harmless from, any underpayments or overpayments made to Home by any

third-party payor attributable to any period prior to the commencement of the Term and for any and all recapture or other charges by any such payor attendant to the transactions herein contemplated or the actions of Home.

Pursuant to Section 1861(v)(1)(II) of the Social Security Act, as amended,

Manager agrees:

- (i) until the expiration of four years after the furnishing of such services pursuant to this contract, the Manager shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the contract, and books, documents, and records of Manager that are necessary to certify the nature and extent of such costs, and
- (ii) if Manager carries out any of the duties of the contract through a subcontract, with a value or cost of \$10,000 or more over a twelve-month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. In addition, Manager agrees to make available to Home such information and records as Home may reasonably request to facilitate Home's compliance with the Medicare Conditions of Participation and to facilitate Homes' substantiation of its as reasonable costs in accordance with the requirements applicable to Home pursuant to 42 C.F.R. Subpart D of Part 405 and Subpart C of Part 420.

4.14 Financial Affairs. This Section sets forth in more particularity certain financial matters involving Home and Manager:

4.14-1 Charges. From time to time, Manager will recommend to the Nursing Board for approval the overall rate structure of Home including patient room charges, charges for all ancillary services, charges for supplies, medication, and special services, and all such charges shall take into account

the financial obligations of Home and the level of rates at other comparable facilities and the importance of providing care at a low cost, all considered in a manner most likely to achieve the Primary Goal. Consistent with the foregoing, the Champaign County Board, with the recommendation of the Nursing Board based upon the advice of Manager, shall have the exclusive authority to approve the rates and charges for services rendered by Home. Recognizing that a reasonable charge structure may, in certain events, fail to fully satisfy all expenses associated with the Home, in this connection it shall be the duty of the Champaign County Board to charge sufficient rates for services rendered by Home, to the extent practicable, and to utilize all other available sources of revenues other than donor restricted funds, so that Home revenues will be produced sufficient to pay all expenses in connection with the ownership, operation, and maintenance of Home, and to pay the principal and interest on Home's outstanding debts, if any.

4.14-2 Reports. Manager shall keep the Nursing Board informed as to the financial status, condition, and operation of Home with monthly written reports.

4.14-3 Credits and Collections. Manager shall recommend to the Champaign County Board policies and procedures for a sound, feasible, and prudent credit and accounts receivable programs. Upon approval by the Champaign County Board of said program, Manager shall implement the same by taking all reasonable steps necessary to effectuate timely bills by Home including the issuance of invoices, statements for services rendered, and materials furnished by Home, the collection of accounts and monies owed to

Home, including the referral of all legal proceedings necessary, the cost of which shall be a Home expense.

4.14-4 Payment of Accounts and Indebtedness. Manager shall recommend to the Nursing Board policies and procedures for a sound, feasible, and prudent accounts payable program. Upon approval by the Nursing Board of said program, Manager shall implement same by taking all necessary steps to prepare and transmit all checks, vouchers, and other documents necessary for the payment of payroll, trade accounts, amounts due on short- and long-term indebtedness, taxes, rents, and all other obligations of the Home.

4.14-5 Accounting and Financial Records. Manager shall establish and administer accounting procedures and controls, and systems, for the development, preparation, and safekeeping of records and books of accounting relating to the business and financial affairs of Home, in accord with generally accepted accounting principles.

4.14-6 Budget. Annually, Manager shall prepare and submit to the Nursing Board with subsequent submittal to the Champaign County Board in writing a capital expenditure and operating budget (the "Budget") for the Home's next fiscal year at a time specified by the Champaign County Board or its designee prior to the commencement thereof. Said budget shall set forth (a) a detailed program of capital expenditures, designating same as mandatory or desirable; (b) an estimate of operating revenues and expenses including the Management Fee (Section 6 herein); (c) an explanation of any anticipated

changes in the Home's utilization, payroll rate, and positions, non-wage cost increases; and (d) all other factors differing significantly from the then current fiscal year. The Nursing Board and Manager shall consider the proposed budget in joint conferences, and upon approval by the Nursing Board shall be submitted to the Champaign County Board for its approval which, when approved, shall be known as the "Approved Budget." Manager shall operate the Home as therein provided by the "Approved Budget," so that the actual reviews, costs, and expenses of the operation and maintenance of Home during any applicable period of the fiscal year shall be consistent with the Approved Budget. The inclusion of any item within the Approved Budget shall constitute all necessary approval of Champaign County Board for Manager to expend Home funds for the budgeted item.

4.14-7 Access. Champaign County Board shall have the right at all reasonable times to audit, examine, and make copies of books of account maintained by Manager applicable to Home. Such right may be exercised through any agent or employee designated by Champaign County Board or by an independent public accountant.

V. COVENANTS NOT TO HIRE

During the term of this contract and for a period of two (2) years following the termination of this Contract, except with regard to the Administrator as noted in the paragraph below, Home shall not employ, except with the written consent of Manager, any person whom Manager has provided who also was an employee of Manager or any

business entity affiliated with Manager in any capacity whatsoever.

After the term of this Contract, the Nursing Board may wish to return Home to in-house management. Manager agrees to facilitate an orderly transition up to and including the transfer of the Administrator to the Champaign County payroll.

VI. MANAGEMENT FEE

For the services rendered hereunder by Manager and as a Home Expense, Home shall pay Manager as a Management Fee the amount of \$180,000 per year, payable in monthly payments of \$15,000.00 in advance. In addition to the Management Fee, direct costs of Manager for travel expenses, incurred in carrying out the duties this Contract shall be reimbursed separately by Home on a monthly basis subject to the terms of the Champaign County Travel Policy and monthly review by the Nursing Board.

The Management Fee shall be adjusted annually, effective as of the end of each twelve month period (the "Anniversary Date"), in an amount equal to the percentage increase in the Consumer Price Index as calculated below:

As promptly as practicable after each Anniversary Date of this Contract, the parties shall compute the increase, if any, in the Consumer Price Index For All Urban Consumers, U.S. City Average, All Items (1982-1984 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor ("Index"), over such Index for the preceding Anniversary Date of this Contract; provided, however, that the total adjustment to the Management Fee during the initial term of this Contract shall not exceed ten percent (10%).

The Index number for the month immediately preceding the date of this Contract shall be the "Base Index Number," and the corresponding Index number for the same month immediately preceding the Anniversary Date for which the computation is made

shall be the "Current Index Number."

The Current Index Number shall be divided by the Base Index Number; from the quotient thereof there shall be subtracted the integer 1, and any resulting positive number shall be deemed to be the percentage of increase in the commencement date of this Contract and the Anniversary Date as of which such increase is computed.

If publication of the Index upon which the increase is based shall be adjusted in any respect by the Bureau of Labor Statistics, this computation shall be adjusted appropriately, and if the publication of such Index shall be discontinued, the parties shall agree upon

another appropriate index to use for the purposes of such annual increase.

Any increase in the Management Fee determined hereunder shall apply during the Contract Year beginning with the Anniversary Date as of which such increase is computed. Until such increase is determined and agreed upon by the parties, Manager shall continue payments of the monthly Management Fee as determined for the prior Contract Year, and the increase, when determined, shall be payable retroactively to the beginning of the Current Contract Year.

VII. INDEMNITY

7.1 Indemnity. Home shall indemnify, defend and hold Manager harmless from and against all liabilities, expenses (including costs and attorneys' fees), judgments and amounts paid in settlement which may be imposed upon or reasonably incurred by Manager in connection with or resulting from any claim made against Manager, or any action, suit, proceeding or investigation in which Manager may be involved by reason of Manager's provision of services to Home, whether or not Manager continues to provide

services to Home at or after the time of such claim, action, suit, proceeding or investigation, provided that Manager's conduct shall not be finally judged to be willful or wanton misconduct, malfeasance or negligence. To be entitled to such indemnification, Manager shall give Home prompt written notice of the assertion by a third-party of any claim with respect to which Manager might bring a claim for indemnification and in all events must have provided such notice to Home within the applicable period for defense of such claim by Home. Home shall have the duty, at Home's own expense, to defend and litigate any such third-party claims.

Manager agrees to indemnify and hold harmless County and its employees from any claims by the Internal Revenue Service, Illinois Department of Revenue, Illinois Municipal Retirement Fund or any federal or state unemployment agency, as a result of this Contract resulting from the employment by Manager of any of its employees, including legal fees and costs, court costs and any other litigation expenses.

VIII. TERM OF CONTRACT

This Contract shall be for a term of three (3) years, commencing on the 23rd day of June, 2008, and expiring on the 23 of June, 2011 (the "Term"). This Contract may extend thereafter on a month-to-month basis by mutual agreement of the parties for a period not to exceed twelve (12) months.

This Contract may also be terminated during any contract Term by either party on one hundred and eighty (180) days advance written notice, provided that all fees, including

reimbursables and out-of-pocket expenses, earned by Manager to the end of the one hundred and eighty (180) day notice period have been paid by Home.

Home acknowledges that it faces difficult management problems and that Manager's efforts will be extraordinary, particularly in the first year of the contract term. In the event Home elects to terminate this Contract prior to the end of this Contract's first anniversary, Home shall pay a penalty of \$30,000, which payments shall be in addition to any fees and/or expenses due Manager as of the effective date of termination. In the event Home elects to terminate this Contract prior to the end of this Contract's second anniversary, Home shall pay a penalty of \$25,000, which payments shall be in addition to any fees and/or expenses due Manager as of the effective date of termination. In the event Home elects to terminate this Contract prior to the end of this Contract's third anniversary, Home shall pay a penalty of \$15,000, which payments shall be in addition to any fees and/or expenses due Manager as of the effective date of termination.

After the first full year of this Management Contract, no penalty shall apply if the Champaign County Board is forced to lease the business of the Champaign County Nursing Home to another entity. Final agreement by the parties of this Contract is subject to the successful conclusion of the hearings now being conducted by the Illinois Department of Public Health of the Home. If any penalties imposed by the Illinois Department of Public Health interfere with the terms of this Contract, it may be declared null and void by either party.

IX. MISCELLANEOUS

9.1 Proprietary Items and Access. The systems, methods, procedures, and controls

employed by Manager in the performance of this Contract are proprietary in nature, shall be and remain the property of Manager, and shall not at any time be utilized, distributed, copied, or otherwise employed by Home except in the operation of Home. Manager shall have complete access to the records of Home in order that it may carry out its obligations hereunder, and shall keep confidential any such information designated as confidential by Home or by law.

9.2 Additional Assurances. The provisions of this Contract shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of any party, the party requested shall execute such additional instruments and take such additional acts as the requesting party may deem necessary to effectuate this Contract.

9.3 Consents, Approvals, and Discretion. Except as herein expressly provided to the contrary, whenever this Contract requires any consent or approval to be given by either party or either party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

9.4 Legal Fees and Costs. In the event of any litigation to enforce any provision of this Contract, the prevailing party shall be entitled to reasonable attorney's fees and costs as may be judicially determined.

9.5 Benefit/Assignment. This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns, provided, however, that no party may assign this Contract or any or all of its rights or obligations hereunder (except by operation of law) without the prior written

consent of the other party, which shall not be unreasonably withheld.

9.6 Accounting Date. The transactions contemplated hereby shall be effective for accounting purposes as of the effective date of this Contract.

9.7 No Brokerage. The parties represent to each other that no broker has in any way been contracted in connection with the transactions contemplated hereby. Each party agrees to indemnify each other party from and against all loss, cost, damage, or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying party.

9.8 Cost of Transaction. (i) Home will pay the fees, expenses, and disbursements of the Champaign County Board and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto; and (ii) Manager will pay the fees, expenses, and disbursements of Manager and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto.

9.9 Waiver of Breach. The waiver by either party of breach or violation of any provision of this Contract shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

9.10 Notice. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered or mailed by prepaid certified mail, return receipts requested, addressed as follows:

Home: Champaign County Administrator
Brookens Administrative Center

1776 E. Washington
Urbana, IL 61802

Manager: Management Performance Associates
Woods Mill Towers
14323 South Outer Forty, Suite 501 South
Chesterfield, Missouri 63017

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

9.11 Severability. In the event any provision of this Contract is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Contract, which shall be in full force and effect, enforceable in accordance with its terms.

9.12 Gender and Number. Whenever the context of this Contract requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural.

9.13 Divisions and Headings. The divisions of this Contract into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect whatsoever in construing the provisions of this contract.

9.14 Entire Agreement/Amendment. Except as otherwise expressly agreed in writing by the parties, this Contract supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties

respecting the within subject matter and no party shall be entitled to other benefits than those specified herein. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. All prior representations or agreements, whether written or oral, not expressly incorporated herein, as superseded, and no changes in or additions to this Contract shall be recognized unless and until made in writing and signed by all parties hereto. This Contract may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

9.15 Governance. This Contract shall be governed by the laws of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in multiple originals by their duly authorized officers, all as of the day and year first above written.

COUNTY OF CHAMPAIGN

By: 
C. Pius Weibel, County Board Chair

ATTEST:

By: 
Mark Shelden, County Clerk

MANAGER:

MANAGEMENT PERFORMANCE ASSOCIATES

By: 
Signature

President

Title

Exhibit A

Compensation Package for Administrator

Administrator: Andrew Buffenbarger

Start Date: As determined by Champaign County Human Resources

Base Salary: \$88,150.40

Payrolls: Bi-monthly, 15th & last day of month

Increases: Anniversary date, performance-based

Vacation: Two weeks

Holidays: Usual & Customary: New Year's, Memorial, Independence, Labor, Thanksgiving, Christmas

Retirement: 401k; maximum of 15 percent of base salary (after first full year of employment)

Health Insurance: Cost of family plan reimbursed
Initial premium is \$622.00 monthly

Severance/Outplacement: Three (3) months salary and benefits

Cost Item	Annually	Bi-Monthly
Base Salary	\$88,150.40	\$3,672.93
Employer FICA at 6.2%	\$ 5,465.32	\$ 227.72
Employer Medicare at 1.45%	\$ 1,278.18	\$ 53.26
Employer FUTA	\$ Actual experience allocated	\$
Employer SUI	\$ Actual Illinois experience allocated	\$
Total Routine Employment Costs	\$94,893.91	\$ 3,953.91
Maximum 401k at 15%	\$13,222.56	\$ 550.94
Estimated Total Annual Cost*	\$108,116.47	\$ 4,504.85

*Excluding health insurance

First Amendment to Management Contract

THIS FIRST AMENDMENT TO MANAGEMENT CONTRACT is made and entered into as of the 18th day of March, 2010 by and between the Champaign County Board, acting on behalf of the County of Champaign, a body politic and corporate owning and operating as Champaign County Nursing Home (the "Home"), and Management Performance Associates, Inc., a Missouri corporation (the "Manager").

RECITALS

- a. The parties hereto have previously entered that certain Management Contract dated as of July 1, 2008, which contract expires on June 20, 2011:
- b. The parties desire to amend the Management Contract for the purpose of changing certain terms and conditions as set forth below.

WITNESSETH

NOW, THEREFORE, the parties agree as follows:

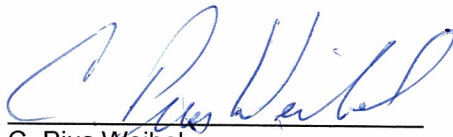
1. **Section IV, Manager's Duties**, is amended by adding a new section 4.14-8, Management of the Business Office:

Manager shall be responsible for providing the financial reporting to include monthly income statements and balance sheets. Manager shall be further responsible for assisting Home in the application of generally accepted accounting principles, for directing Home personnel in the application of accounting procedures, and for improving the effectiveness of Home's accounting methods.

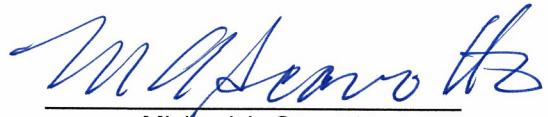
2. **Section VI, Management Fee,** is amended by adding after the first paragraph:

Pursuant to Section 4.14-8, Management of the Business Office (above), Manager shall invoice Home the amount of \$60,000 per year, payable in monthly payments of \$5,000.00 in advance. Manager will invoice this service under the line item MPA Business Systems. In addition to the Management Fee, direct costs of Manager for travel expenses, incurred in carrying out the duties of this Contract shall be reimbursed separately by Home on a monthly basis subject to the terms of the Champaign County Travel Policy and monthly review by the Nursing Board.

IN WITNESS THEREOF, the undersigned have executed this FIRST AMENDMENT TO MANAGEMENT CONTRACT as of the day and year first written above.



C. Pius Weibel
Chair
Champaign County Board



Michael A. Scavotto
President
Management Performance
Associates, Inc.

Date: March 19, 2010

Date: 3-18-2010