

April 15, 2019

Mr. Stephen Giesbrecht, Borough Manager
Petersburg Borough
P.O. Box 329
Petersburg, Alaska 99833

Dear Mr. Giesbrecht,

We are pleased to present this revised engagement agreement. Per your request, we have added Exhibit D, which specifies that this project has a not to exceed budget. We have arrived at this budget by utilizing an upper limit of consulting time of 70 hours.

Exhibit A outlines the anticipated work plan activities.

Exhibit B provides the details of our fee proposal. Also, please note that per Mr. Fukushima's request, we have waived our normal travel fee and we have provided for a discounted hourly rate after the first ten hours of consulting. We have used this fee methodology to arrive at the not to exceed budget limit.

Outcome is what counts!

Mr. Fukushima has informed me that you are planning on presenting our proposal at your May Borough Assembly meetings. If we can assist you in preparing for that meeting, please do not hesitate to contact us.

Please fully complete and execute the signature page (page five) and initial the Option #1 box on page seven. Please retain a copy of the executed Agreement for your files and mail the original Agreement along with the required initial payment (if by check please make it payable to *The Fox Group, LLC*) to:

The Fox Group, LLC
ATTN: Dr. Gunter Fuchs
99 C Street, Suite 207
Upland, CA 91786

We are also able to accept credit card and e-check payments. Should you desire to avail yourself of this option, please notify Mr. Fukushima and he will have our bookkeeper send out an e-mail to you with a link to our secure payment portal.

Once we have received the completed Agreement and the initial payment, we will contact you for a phone meeting to go over the next steps, the logistics, and the materials we will need for the engagement.

We look forward to getting started and assisting you to reach the goals and outcomes of this engagement!

If you have any questions, please contact Mr. Craig Fukushima directly at (909) 962-7731 or you may e-mail him at cfukushima@foxgrp.com.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Gunter Fuchs".

Gunter Fuchs, Dr. Hsc., MPH
Senior Founding Partner

AGREEMENT

This Consulting Agreement is made and entered into by and between

Petersburg Borough
P.O. Box 329
Petersburg, Alaska 99833

hereafter identified as Client, and

The Fox Group, LLC
Consultants to the Healthcare Industry
99 "C" Street, Suite 207
Upland, California 91786

hereafter identified as Consultant.

The date of this Agreement is *April 15, 2019*.

General Provisions

Both parties agree that all interaction and all information shared shall be handled in **strictest confidence**.

1. Consulting services are outlined in "Exhibit A", attached to this Agreement.
2. Client investment is outlined in "Exhibit B", attached to this Agreement.
3. Client responsibilities are outlined in "Exhibit C", attached to this Agreement.
4. Invoices are due and payable upon receipt. Any invoice not paid within thirty (30) days after the date of the invoice may result, in Consultant's sole discretion, in suspension of Consultant's activities on behalf of Client, until Client is again current on payment terms.
5. Any invoice not paid by the due date shall be subject to a late fee of seventy-five dollars (\$75.00), or 1.5% of the outstanding amount, whichever is greater, for each month beyond the due date.
6. This Agreement shall be null and void if not executed by both parties within 60 days of the Agreement date set above.

Acknowledgments

1. The Client hereby agrees to indemnify, defend and hold the Consultant harmless from any and all costs, liabilities, damages and expenses (including, without limitation, reasonable attorneys' fees) arising from or related to: (i) the breach by the Client of any of its obligations hereunder; and (ii) any and all acts, activities and actions of the Client, which are carried out contrary to the advice of or without the advice of Consultant, or which constitute Client's professional malpractice.

2. Client understands and acknowledges that Consultant is not in the business of providing legal advice, and Consultant does not warrant or represent that it is licensed to practice law, provide any type of legal services or give any kind of legal advice whatsoever.
3. Client understands and acknowledges that to the extent that Consultant discovers and notifies Client of: (i) any documentation, coding, billing or claims submission problems; or (ii) any other problems or deficiencies which may violate federal or state law or the requirements of any federal, state or private health plan, which Consultant discovers in the course of performing its duties under this Agreement, Consultant and/or Client may be required to disclose any such findings, and/or related overpayments, to the entity responsible for administering the affected health plan or the appropriate federal or state authorities, or both. Client acknowledges and understands that Consultant is not responsible for the consequences stemming from Client's reporting or failure to report any of the information.
4. Client acknowledges that Consultant is not responsible for and has no control over (i) the accuracy or completeness of the information provided to Consultant in the course of performing its duties under this Agreement, (ii) any changes in that information, or changes made to Client's documentation, coding or billings, which are made after Consultant's services have been rendered, or (iii) Client's implementation of, or failure to implement, any of Consultant's recommendations. Therefore, except in cases of willful misconduct, neither Consultant nor any of its employees or agents shall be liable for any losses, costs, claims, suits, or damages, including attorney's fees on appeal or otherwise, arising from the services performed by Consultant under this Agreement.
5. Further, under any circumstances, the maximum liability in the aggregate of Consultant to Client in respect of any action by Client against Consultant related to its provision of the services described herein (whether under this Agreement or in tort for negligence or otherwise), shall be limited to compensatory damages actually incurred in an amount not to exceed the consulting fees received by Consultant from Client pursuant to this Agreement. In no event shall Consultant be liable or otherwise responsible for any special, consequential, or punitive damages.
6. In any dispute between the Parties arising out of this Agreement which would otherwise be resolvable in a court of competent jurisdiction, the Parties shall first try to resolve the dispute through direct discussions and negotiation. If such are unsuccessful, the aggrieved Party involved may commence litigation in the Superior Court of the State of California, in and for the county of San Bernardino (the "Court") for the purpose of resolving the dispute. The prevailing Party's compensation shall include reasonable legal costs associated with these processes and actions. The Parties hereby agree and consent that the resolution of the dispute by the Court shall be by way of a reference procedure as specified under California Code of Civil Procedure Section 638 (or any successor statute or statutes) and all rules of court relating thereto, and if such aggrieved Party does not file the required motion, the other Party may do so, and if neither Party files such motion, then the Court shall appoint a referee on its own motion as allowed under California Code of Civil Procedure Section 639 (or any successor statute or statutes). At the hearing on the motion, the Court shall appoint a referee (the "Referee") to hear all aspects of the matter in dispute, including without limitation, substantive issues and discovery disputes, and such reference procedure (regardless of how a Referee may be appointed) shall be deemed "consensual" in nature and all Parties hereto

agree thereto. The reference procedure set forth in this Section is the exclusive remedy for any Party hereto to resolve disputes arising under the within Agreement if they are unable to resolve them amicably among themselves, and such shall be in lieu of arbitration at any point in the resolution proceedings.

Notices and Termination

1. Any notices required by this Agreement shall be in writing and shall be deemed given if delivered personally or one business day after successful transmission by email, or five business days after posting by registered or certified mail (return receipt requested) to the parties at the addresses provided at the beginning of this Agreement.
2. Either party may terminate this Agreement at any time by giving a thirty (30) day written notice of termination. In the event of early termination by Client prior to final payment of all fees and payments due under this Agreement, Client shall, with any notice of early termination, submit payment of any unpaid amounts, including any amounts due during the month of termination.

Amendments

This Agreement is a basic and principal agreement and may only be amended as mutually agreed upon, in writing, by the parties.

THE FOX GROUP, LLC

PETERSBURG BOROUGH

Signed: _____



Signed: _____

By: _____

Craig Fukushima, LNHA, MBA

By: _____

Title: Partner

Title: _____

Date: _____

April 15, 2019

Date: _____

Exhibit A

The following points outline the consulting services being provided to Petersburg Borough (Client), by The Fox Group, LLC, (Consultant) referenced in the **attached** Agreement between the two parties.

ENGAGEMENT • OPERATIONAL ANALYSIS OF AN ASSISTED LIVING FACILITY IN PETERSBURG, ALASKA

Option # 1 Workplan Summary	Conduct an operational analysis of the existing 20 unit assisted living community.
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Workplan activities include:

At the conclusion of this engagement, the CLIENT will have a series of recommendations, observations and analyses that will address the potential reduction of operating losses or create profitability for the existing 20 unit assisted living community. The work plan activities will be as follows:

Phase One-Due Diligence

- Conduct a conference call between CONSULTANT and CLIENT:
 - Project overview
 - Information/documents requests
 - Scheduling of onsite visit
- Review of information/documents

Phase Two-Onsite Visit

- Onsite review of project
- Meet with administrator/key staff/key shareholders
- Tour of community

Phase Three-Analysis

- Review of information/documents from onsite visit
- Analysis/report formulation

Option # 2 Workplan Summary	Not applicable
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Workplan activities include:

- Not applicable

Exhibit B

Please indicate your acceptance of an option by **initialing** in the space provided.

Option # 1 Conduct an operational analysis of the existing 20 unit assisted living community.

Fixed Client Investment.

Initial payment: due at the execution of engagement agreement. \$3,500.00

Remaining Payments: Initial payment shall cover the first ten hours of consulting. All \$290/hour consulting hours thereafter shall be billed at a discounted hourly rate of \$290.

Travel Time Fee: WAIVED

Final payment: with delivery of report.

Reimbursable Expenses: Lodging, meals, transportation, and reasonable incidentals, as needed. Reimbursable expenses shall be billed at cost.

Suggested Start Date: To be determined

Estimated time of completion: : Four to six weeks from time of actual start date.

Client Initial

Option # 2 Not applicable

Fixed Client Investment.

Initial payment: due at the execution of engagement agreement. N/A

Remaining Payments: N/A

Final payment: with delivery of report. N/A

Reimbursable Expenses: Not applicable

Suggested Start Date: Not applicable

Estimated time of completion: Not applicable

EXHIBIT C

The following points outline the responsibilities of the Client as they relate to the consulting services being provided to Petersburg Borough (Client), by The Fox Group, LLC, (Consultant) referenced in the attached Agreement between the two parties.

- Make documents and files available to Consultant as requested;
- Provide timely access to Client's Management and Key Stakeholders;
- Assist with logistics of travel and meeting arrangements onsite;
- Provide for on-site assistance;
- Selected other items, as needed.

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EXHIBIT D

Consulting fees, not including any incidental expenses, shall not exceed \$20,400 for this project without prior written consent of CLIENT.

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