Before Starting the Project Application

To ensure that the Project Application is completed accurately, ALL project applicants should review the following information BEFORE beginning the application.

Things to Remember:

- Additional training resources can be found on the HUD.gov at https://www.hud.gov/program_offices/comm_planning/coc.
- Questions regarding the FY 2021 CoC Program Competition process must be submitted to CoCNOFO@hud.gov.
- Questions related to e-snaps functionality (e.g., password lockout, access to user's application account, updating Applicant Profile)must be submitted to e-snaps@hud.gov.
- Project applicants are required to have a Data Universal Numbering System (DUNS) number and an active registration in the Central Contractor Registration (CCR)/System for Award Management (SAM) in order to apply for funding under the Fiscal Year (FY) 2021 Continuum of Care (CoC) Program Competition. For more information see FY 2021 CoC Program Competition NOFO.
- To ensure that applications are considered for funding, applicants should read all sections of the FY 2021 CoC Program NOFO and the FY 2021 General Section NOFO.
- Detailed instructions can be found on the left menu within e-snaps. They contain more comprehensive instructions and so should be used in tandem with navigational guides, which are also found on the HUD Exchange.
- New projects may only be submitted as either Reallocated, Bonus Projects, Reallocated + Bonus or DV Bonus. These funding methods are determined in collaboration with local CoC and it is critical that applicants indicate the correct funding method. Project applicants must communicate with their CoC to make sure that the CoC submissions reflect the same funding method.
- Before completing the project application, all project applicants must complete or update (as applicable) the Project Applicant Profile in e-snaps, particularly the Authorized Representative and Alternate Representative forms as HUD uses this information to contact you if additional information is required (e.g., allowable technical deficiency).
- HUD reserves the right to reduce or reject any new project that fails to adhere to (24 CFR part 578 and application requirements set forth in FY 2021 CoC Program Competition NOFO.

1A. SF-424 Application Type

1. Type of Submission:	
2. Type of Application:	New Project Application
If Revision, select appropriate letter(s):	
If "Other", specify:	
3. Date Received:	11/08/2021
4. Applicant Identifier:	
a. Federal Entity Identifier:	
5. Federal Award Identifier:	
6. Date Received by State:	
7. State Application Identifier:	

1B. SF-424 Legal Applicant

8. Applicant

a. Legal Name: City of Indianapolis

b. Employer/Taxpayer Identification Number (EIN/TIN): 35-6001063

	c. Organizational DUNS:	067890848	**PLUS 4:**	

d. Address

Street 1: 200 East Washington Street
Street 2: Suite 2042
City: Indianapolis
County: Marion
State: Indiana
Country: United States
Zip / Postal Code: 46204

e. Organizational Unit (optional)

Department Name: Metropolitan Development
Division Name: Community Economic Development

f. Name and contact information of person to be contacted on matters involving this application

Prefix: Ms.
First Name: Natalie
Middle Name:
Last Name: Roberts
Suffix:
Title: CoC Grant Manager
Organizational Affiliation: City of Indianapolis
Telephone Number: (317) 327-5806

Extension:
Fax Number: (317) 327-5908
Email: natalie.roberts@indy.gov

1C. SF-424 Application Details

9. Type of Applicant:	C. City or Township Government
10. Name of Federal Agency:	Department of Housing and Urban Development
11. Catalog of Federal Domestic Assistance Title:	CoC Program
CFDA Number:	14.267
12. Funding Opportunity Number:	FR-6500-N-25
Title:	Continuum of Care Homeless Assistance Competition
13. Competition Identification Number:	
Title:	

1D. SF-424 Congressional District(s)

14. Area(s) affected by the project (state(s) only): (for multiple selections hold CTRL key)	Indiana
15. Descriptive Title of Applicant's Project:	2022 Pando PSH
16. Congressional District(s):	
16a. Applicant:	IN-007
16b. Project: (for multiple selections hold CTRL key)	IN-007
17. Proposed Project	
a. Start Date:	10/01/2022
b. End Date:	09/30/2023
18. Estimated Funding ($)	
a. Federal:	
b. Applicant:	
c. State:	
d. Local:	
e. Other:	
f. Program Income:	
g. Total:	

1E. SF-424 Compliance

19. Is the Application Subject to Review By State Executive Order 12372 Process?	b. Program is subject to E.O. 12372 but has not been selected by the State for review.
If "YES", enter the date this application was made available to the State for review:	
20. Is the Applicant delinquent on any Federal debt?	No
If "YES," provide an explanation:	

1F. SF-424 Declaration

By signing and submitting this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete, and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

I AGREE: X

21. Authorized Representative

Prefix:	Mrs.
First Name:	Jennifer
Middle Name:	
Last Name:	Fults
Suffix:	
Title:	Adminstrator
Telephone Number: (Format: 123-456-7890)	(317) 327-5899
Fax Number: (Format: 123-456-7890)	(317) 327-5809
Email:	jennifer.fults2@indy.gov
Signature of Authorized Representative:	Considered signed upon submission in e-snaps.
Date Signed:	11/08/2021

1G. HUD 2880

Applicant/Recipient Disclosure/Update Report - form HUD-2880
U.S. Department of Housing and Urban Development
OMB Approval No. 2506-0214 (exp.02/28/2022)

Applicant/Recipient Information

1. Applicant/Recipient Name, Address, and Phone

Agency Legal Name:	City of Indianapolis
Prefix:	Mrs.
First Name:	Jennifer
Middle Name:	
Last Name:	Fults
Suffix:	
Title:	Adminstrator
Organizational Affiliation:	City of Indianapolis
Telephone Number:	(317) 327-5899
Extension:	
Email:	jennifer.fults2@indy.gov
City:	Indianapolis
County:	Marion
State:	Indiana
Country:	United States
Zip/Postal Code:	46204

2. Employer ID Number (EIN): 35-6001063

3. HUD Program: Continuum of Care Program

4. Amount of HUD Assistance Requested/Received

4a. Total Amount Requested for this project: $170,000.00

(Requested amounts will be automatically entered within applications)

5. State the name and location (street address, City and State) of the project or activity.

Refer to project name, addresses and CoC Project Identifying Number (PIN) entered into the attached project application.

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? (For further information, see 24 CFR Sec. 4.3). Yes

2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of $200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9. Yes

Part II Other Government Assistance Provided or Requested/Expected Sources and Use of Funds

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/Local Agency Name and Address	Type of Assistance	Amount Requested / Provided	Expected Uses of the Funds
OVW	Federal Grant	$31,575.00	Services
Domestic Violence Prevention and Treatment	Federal Grants	$25,000.00	Services
SSFV	Federal Grants	$1,000,000.00	Services/Rents
VOCA Victims of Crime Act	Federal Grant	$39,024.00	Services

Note: If additional sources of Government Assistance, please use the "Other Attachments" screen of the project applicant profile.

Part III Interested Parties

You must disclose:
1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds $50,000 or 10 percent of the assistance (whichever is lower).

Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation	Financial Interest in Project/Activity ($)	Financial Interest in Project/Activity (%)
na	na	na	$0.00	0%
na	na	na	$0.00	0%
na	na	na	$0.00	0%
na	na	na	$0.00	0%
na	na	na	$0.00	0%

Note: If there are no other people included, write NA in the boxes.

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional nondisclosure, is subject to civil money penalty not to exceed $10,000 for each violation.

I certify that the information provided on this form and in any accompanying documentation is true and accurate. I acknowledge that making, presenting, submitting, or causing to be submitted a false, fictitious, or fraudulent statement, representation, or certification may result in criminal, civil, and/or administrative sanctions, including fines, penalties, and imprisonment.

I AGREE: X

Name / Title of Authorized Official: Jennifer Fults, Adminstrator

Signature of Authorized Official: Considered signed upon submission in e-snaps.

Date Signed: 11/08/2021

1H. HUD 50070

HUD 50070 Certification for a Drug Free Workplace

Applicant Name: City of Indianapolis

Program/Activity Receiving Federal Grant Funding: CoC Program

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

	I certify that the above named Applicant will or will continue to provide a drug-free workplace by:		
a.	**Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.**	**e.**	**Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federalagency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;**
b.	**Establishing an on-going drug-free awareness program to inform employees --- (1) The dangers of drug abuse in the workplace (2) The Applicant's policy of maintaining a drug-free workplace; (3) Any available drug counseling, rehabilitation, and employee assistance programs; and (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.**	**f.**	**Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted --- (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;**
c.	**Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;**	**g.**	**Making a good faith effort to continue to maintain a drugfree workplace through implementation of paragraphs a. thru f.**
d.	**Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will --- (1) Abide by the terms of the statement; and (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;**		

2. Sites for Work Performance.

The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)
Workplaces, including addresses, entered in the attached project application.
Refer to addresses entered into the attached project application.

I certify that the information provided on this form and in any accompanying X

documentation is true and accurate. I acknowledge that making, presenting, submitting, or causing to be submitted a false, fictitious, or fraudulent statement, representation, or certification may result in criminal, civil, and/or administrative sanctions, including fines, penalties, and imprisonment.

WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802)

Authorized Representative

Prefix:	Mrs.
First Name:	Jennifer
Middle Name	
Last Name:	Fults
Suffix:	
Title:	Adminstrator
Telephone Number: (Format: 123-456-7890)	(317) 327-5899
Fax Number: (Format: 123-456-7890)	(317) 327-5809
Email:	jennifer.fults2@indy.gov
Signature of Authorized Representative:	Considered signed upon submission in e-snaps.
Date Signed:	11/08/2021

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file

the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate:	X

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Applicant's Organization: City of Indianapolis

Name / Title of Authorized Official: Jennifer Fults, Adminstrator

Signature of Authorized Official: Considered signed upon submission in e-snaps.

Date Signed: 11/08/2021

1J. SF-LLL

DISCLOSURE OF LOBBYING ACTIVITIES
Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352.
Approved by OMB0348-0046

HUD requires a new SF-LLL submitted with each annual CoC competition and completing this screen fulfills this requirement.

Answer "Yes" if your organization is engaged in lobbying associated with the CoC Program and answer the questions as they appear next on this screen. The requirement related to lobbying as explained in the SF-LLL instructions states: "The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action."

Answer "No" if your organization is NOT engaged in lobbying.

Does the recipient or subrecipient of this CoC grant participate in federal lobbying activities (lobbying a federal administration or congress) in connection with the CoC Program?	No
Legal Name:	City of Indianapolis
Street 1:	200 East Washington Street
Street 2:	Suite 2042
City:	Indianapolis
County:	Marion
State:	Indiana
Country:	United States
Zip / Postal Code:	46204

11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

I certify that this information is true and complete. X

Authorized Representative

Prefix:	Mrs.
First Name:	Jennifer
Middle Name:	
Last Name:	Fults
Suffix:	
Title:	Adminstrator
Telephone Number: (Format: 123-456-7890)	(317) 327-5899
Fax Number: (Format: 123-456-7890)	(317) 327-5809
Email:	jennifer.fults2@indy.gov
Signature of Authorized Representative:	Considered signed upon submission in e-snaps.
Date Signed:	11/08/2021

IK. SF-424B

(SF-424B) ASSURANCES - NON-CONSTRUCTION PROGRAMS

OMB Number: 4040-0007
Expiration Date: 02/28/2022

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1.	**Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.**
2.	**Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.**
3.	**Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.**
4.	**Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.**
5.	**Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).**
6.	**Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C.§§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination**
	on the basis of alcohol abuse or alcoholism, (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7.	**Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.**

8.	**Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.**

9.	**Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327¬333), regarding labor standards for federally-assisted construction subagreements.**

10.	**Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.**

11.	**Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93¬205).**

12.	**Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.**

13.	**Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).**

14.	**Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.**

15.	**Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.**

16.	**Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.**

17.	**Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."**

18.	**Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.**

19.	**Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.**

As the duly authorized representative of the applicant, I certify: X

Authorized Representative for: City of Indianapolis

Prefix: Mrs.

First Name:	Jennifer
Middle Name:	
Last Name:	Fults
Suffix:	
Title:	Adminstrator
Signature of Authorized Certifying Official:	Considered signed upon submission in e-snaps.
Date Signed:	11/08/2021

1L. SF-424D

Are you requesting CoC Program funds for construction costs in this application? No

No SF-424D is required. Select "Save and Next" to move to the next screen.

2A. Project Subrecipients

This form lists the subrecipient organization(s) for the project. To add a subrecipient, select the icon. To view or update subrecipient information already listed, select the view option.

Total Expected Sub-Awards: $162,273

Organization	Type	Sub-Award Amount
Lutheran Child and Family Services of Indiana/K...	M. Nonprofit with 501C3 IRS Status	$162,273

2A. Project Subrecipients Detail

a. Organization Name: Lutheran Child and Family Services of Indiana/Kentucky, Inc. (LCFS)

b. Organization Type: M. Nonprofit with 501C3 IRS Status

If "Other" specify:

c. Employer or Tax Identification Number: 35-0868123

	*** d. Organizational DUNS:**	098136922	**PLUS 4:**	

e. Physical Address

Street 1: 1525 N. Ritter Avenue

Street 2:

City: Indianapolis

State: Indiana

Zip Code: 46219-3026

f. Congressional District(s): (for multiple selections hold CTRL key) IN-007

g. Is the subrecipient a Faith-Based Organization? Yes

h. Has the subrecipient ever received a federal grant,either directly from a federal agency or through a State/local agency? Yes

i. Expected Sub-Award Amount: $162,273

j. Contact Person

Prefix: Mrs.

First Name: Barbara

Middle Name: Ann

Last Name:	Walters
Suffix:	
Title:	Director of Strategy & Innovation
E-mail Address:	bwalters@lutheranfamily.org
Confirm E-mail Address:	bwalters@lutheranfamily.org
Phone Number:	317-359-5467
Extension:	410
Fax Number:	317-322-4095

2B. Experience of Applicant, Subrecipient(s), and Other Partners

1. Describe your organization's (and subrecipient(s) if applicable) experience in effectively utilizing federal funds and performing the activities proposed in the application.

LCFS has been in operation for over 138 years with an extensive, proven track record of fiduciary responsibility and programmatic success. With an extensive history of providing a wide array social services to children and families, LCFS has demonstrated the ability to adapt the services offered to meet changing community needs. Regarding the utilization of federal funds, LCFS has experience with a prior AmeriCorps grant for which we were the fiscal agent as well as the program services provider. For many years (over twenty) we have received School Breakfast/Lunch funding and completed all required compliance and reporting measures. Further, we have received "pass-through" dollars from the State through Title IV-E child welfare programming. While not currently directly billing Medicaid for services, in the past we have been a Psychiatric Residential Treatment Facility (PRTF) provider and successfully billed Medicaid while ensuring compliance with all documentation and programmatic requirements.

LCFS is currently licensed to serve young people through our private recovery center (ages 6-21) and emergency shelter care (ages 6-12) residential programs. Additionally, we operate an Independent Living Group Home program for young men ages 14-21. Young people referred to these programs have experienced abuse and/or neglect and present with extensive trauma histories and adverse childhood experiences (ACE's) along with significant mental health diagnoses. In this proposal, we seek funding to support young people ages 18-24 who have previously been involved in the foster care/child welfare system and have experienced homelessness – a natural extension of our service line.

LCFS participated in the 2018 Indiana Housing Institute and was awarded LIHTC financing and grant funding from the Housing Trust fund in November 2019 for our Pando Aspen Grove of Community Heights (Pando) Permanent Supportive Housing Program. Throughout the project development phase, we sought input from our Group Home residents and youth in the target service population to inform the facility and program design. We began site work in the late summer of 2020 and completed construction in June 2021.

Our key partners for this project are TWG Development/TWG Property Management, the Indianapolis Housing Agency (HCV), and Community Health Network (CHNw). TWG, along with the Foundation for LCFS, a separate 501c3 formed to support the programmatic initiatives of LCFS, were co-developers for Pando. TWG also coordinated the facility construction, and one of their affiliated organizations is the Property Manager for Pando. TWG's property management affiliates are highly knowledgeable and experienced regarding all aspects of property management, including managing housing vouchers and

HUD requirements. CHNw is a partner in the delivery of supportive services. Community Behavioral Health (also known as Gallahue Community Mental Health Center) is a leading provider of behavioral health care services in Central Indiana. As a Community Mental Health Center, they can access Medicaid Rehabilitation Option (MRO) funding, which is a viable funding stream for key supportive services. Further, they have expertise in client engagement and care coordination, which is key to promoting voluntary supportive services to Pando tenants.

Through the Indiana Housing Institute, LCFS was introduced to the Housing First Model; our participation in the institute provided us with the knowledge and resources to build a program with fidelity to this model. LCFS was one of the first organizations in Indiana to receive Endorsement from the Corporation for Supportive Housing (CSH) for our program design. Tenant input is highly valued by LCFS and our collaborative partners; we are currently organizing a tenant council and have multiple opportunities for tenants to provide feedback regarding the current programming and events offered as well as to provide suggestions for future opportunities they would like to see offered on site.

2. Describe your organization's (and subrecipient(s) if applicable) experience in leveraging Federal, State, local and private sector funds.

The Pando PSH program secured funding for 100% of the construction costs. Additionally, we received Project-based Vouchers from the Indianapolis Housing Agency (IHA) for rental subsidies. As such, our application only seeks HMIS and supportive services funding.

Through our contractual collaboration with CHNw, implemented in 2013, we are able to access MRO funding for eligible clients that require MRO services, such as case management and skills training. The Foundation for LCFS (Foundation) is actively seeking to raise a substantial level of funding for Pando supportive services over the next 3-5 years. Through the support of the Foundation, LCFS secured grant funding to support the "start-up" costs for Pando supportive services: including $100,000 from the United Way of Central Indiana's (UWCI) Social Innovation Fund and a combined $40,000 from other private foundations. A portion of LCFS' UWCI Basic Needs Funds 2020/2021 grant will be allocated to Pando as well. In addition to grants awarded/received, LCFS has already raised over $40,000 through special events and promotions such as #GivingTuesday.

Another facet of our fundraising initiatives is in-kind and volunteer support. Pando operates an on-site food pantry to serve tenants. We have had a phenomenal response from many church partners to fill the pantry with non-perishable foods and cleaning/hygiene products. Outside organizations have already been onsite to provide linkage to community resources, and we have made connections to others to provide free services, such as vision screenings and eyeglasses. The Foundation for LCFS (as GP of the LP through the LIHTC financing structure) can provide funding for supportive services from a supportive services reserve that was established in the financing phase, as well as through program operating funds (should revenues exceed expenses). Volunteers are currently providing assistance with landscaping maintenance to minimize Pando operating costs.

3. Describe your organization's (and subrecipient(s) if applicable) financial management structure.

LCFS is 501c3 not-for-profit organization that works closely with the Foundation for LCFS (Foundation), a related party entity. While we submit separate 990 tax returns, our audit is a "combined" report of the two entities. For over 20 years, both LCFS and the Foundation have utilized MIP, a configurable fund accounting software program from Abila. This software allows for flexibility in creating specific coding for projects and funds to better track grant receipts and grant-related program expenses.

The organizational Structure of LCFS has 3 key leadership roles: The Executive Director (ED), and two key staff members that will be primarily responsible for fiscal and program management related to this grant - the Chief Financial Officer (CFO) and the Director of Strategy & Innovation (DSI). The ED supervises both the CFO and the DSI. The CFO oversees a team of staff that perform payroll, accounts payable, accounts receivable and all other accounting functions. The DSI oversees LCFS program personnel that operate the Pando program; all fundraising staff and initiatives; accreditation; and compliance. The CFO has been with LCFS nearly 15 years; outside audits, performed annually by a CPA firm, have repeatedly confirmed that appropriate fiduciary controls and accurate financial reporting is in place. The DSI has served LCFS for 20+ years, a portion of this time serving as the Director of Finance, HR, and Administration prior to the current CFO. She has access to review reports and transactional details to ensure that items have been coded appropriately in the accounting system. Additionally, the DSI coordinates all collaborative work between Pando partner organizations, such as TWG and CHNw, and internal LCFS staff, interns, and volunteers. LCFS leadership staff have the skills, experience, and capacity to effectively monitor grant compliance and appropriate utilization of grant funds and have demonstrated this repeatedly over the course of many years.

4. Are there any unresolved HUD monitoring or OIG audit findings for any HUD grants (including ESG) under your organization? No

3A. Project Detail

1. CoC Number and Name:	IN-503 - Indianapolis CoC
2. CoC Collaborative Applicant Name:	City of Indianapolis
3. Project Name:	2022 Pando PSH
4. Project Status:	Standard
5. Component Type:	PH
5a. Select the type of PH project:	PSH
6. Is your organization, or subrecipient, a victim service provider defined in 24 CFR 578.3?	No
7. Is this new project application requesting to transition from eligible renewal project(s) that was awarded to the same recipient and fully eliminated through reallocation in this CoC Program Competition? (Attachment Requirement)	No
8. Will funds requested in this new project application replace state or local government funds (24 CFR 578.87(a))?	No
9. Will this project include replacement reserves in the Operating budget?	No

3B. Project Description

1. Provide a description that addresses the entire scope of the proposed project.

Pando is a Permanent Supportive Housing Program located at 5626 E. 16th Street, Indianapolis, IN 46218 and has convenient bus line access. This newly constructed multi-family apartment building features 30 1-bedroom units to serve youth ages 18-24 who have experienced homelessness. Priority is given to youth who have been involved in the child welfare/foster care system. Due to the unit size, occupancy is limited to 2 adults plus one child aged 2 and under. The number of people served may vary but is expected to range from 30-45 people aged 18+ and 0-5 children aged 2 or less at any given time. All units are fully furnished, including kitchen essentials and bedding/towels. New tenants are greeted with a “welcome” bag of food and personal hygiene items.

A comprehensive array of supportive services will be available to Pando tenants; participation in services is voluntary. Services offered include Care Management/Care Coordination; Behavioral and Primary Health Care; Independent Living Skills Training; Education Planning/Coordination; Employment Services; Financial/Budgeting Skills; Household Maintenance/Safety; Transportation, and Legal Aid. Services may be provided directly or coordinated through outside providers. To promote access, the service team offers evening/weekend programming. Supportive Services also provides referrals to support groups/community resources and offers clients the ability to participate in recreational/social activities. Additionally, the Emergency Room at Community Hospital East and the Jane Pauley Community Health Center are within walking distance, and the CHNw Crisis Center provides 24/7 phone access for urgent behavioral health needs. Key outcome measurements for Pando include: 80% of tenants successfully maintain housing for at least 12 months; 80% of tenants engage with supportive services monthly; and 50% of clients develop an individual success plan.

LCFS has contractual arrangements with CHNw for behavioral health care services and with TWG for property management services. The LCFS/CHNw arrangement is formalized through a Management Services Agreement (MSA), by which LCFS and CHNw share revenues and expenses for selected programs and/or activities equally. Through the MSA, LCFS is able to access MRO funding for eligible Medicaid-funded services provided by CHNw staff members. Additionally, multiple CHNw team members associated with the Pando program have already received HMIS training and have been utilizing this system to record and maintain client data in accordance with CoC expectations and requirements. Further, LCFS has existing MOUs with Goodwill of Central and Southern Indiana (Goodwill), Indianapolis Legal Aid Society (ILAS), and EmployIndy for other programming and has initiated conversations to extend these services to Pando clients. Finally, LCFS is currently working to expand and formalize collaboration with several other organizations as well.

2. For each primary project location, or structure, enter the number of days from the execution of the grant agreement that each of the following milestones will occur if this project is selected for conditional award.

Project Milestones	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement	Days from Execution of Grant Agreement
	A	B	C	D
Begin hiring staff or expending funds	0			
Begin program participant enrollment	1			
Program participants occupy leased or rental assistance units or structure(s), or supportive services begin	0			
Leased or rental assistance units or structure, and supportive services near 100% capacity	0			
Closing on purchase of land, structure(s), or execution of structure lease	0			
Start rehabilitation	0			
Complete rehabilitation	0			
Start new construction	0			
Complete new construction	0			

2a. If requesting capital costs (i.e., acquisition, rehabilitation, or new construction), describe the proposed development activities with responsibilities of the applicant, and subrecipients if included, to develop and maintain the property using CoC Program funds.

The project is not requesting capital costs.

3. Check the appropriate box(s) if this project will have a specific subpopulation focus.

(Select ALL that apply)

N/A - Project Serves All Subpopulations	☐	Domestic Violence	☐
Veterans	☐	Substance Abuse	☐
Youth (under 25)	☐	Mental Illness	☐
Families	☐	HIV/AIDS	☐
		Chronic Homeless	☐
		Other (Click 'Save' to update)	☐

Other: Fomer Foster Youth

4. Will your project participate in the CoC's Coordinated Entry (CE) process or recipient organization is a victim service provider, as Yes

defined in 24 CFR 578.3 and uses an alternate CE process that meets HUD's minimum requirements?

5. Housing First

5a. Will the project quickly move participants into permanent housing? Yes

5b. Will the project enroll program participants who have the following barriers? Select all that apply.

Having too little or little income	X
Active or history of substance use	X
Having a criminal record with exceptions for state-mandated restrictions	X
History of victimization (e.g. domestic violence, sexual assault, childhood abuse)	X
None of the above	

5c. Will the project prevent program participant termination for the following reasons? Select all that apply.

Failure to participate in supportive services	X
Failure to make progress on a service plan	X
Loss of income or failure to improve income	X
Any other activity not covered in a lease agreement typically found for unassisted persons in the project's geographic area	X
None of the above	

5d. Will the project follow a "Housing First" approach? (Click 'Save' to update) Yes

6 Will program participants be required to live in a specific structure, unit, or locality at any time while in the program? Yes

6a. Explain how and why the project will implement this requirement.

The Pando program was designed as a single facility with 30 1-bedroom apartments, located on the Eastside of Indianapolis. The target population of young people ages 18-24 with former involvement in the child welfare/foster care system is well served in a program that can help them build a sense of

community with peers as they continue to develop independent living skills and work toward a plan for continued skills development, education, and/or employment. The census tract where Pando is located has a large number of individuals experiencing poverty. Crime is also an issue impacting this community. Consequently, the need for additional programs and services to help the community as a whole is significant. The specific location was selected because of its close proximity to the LCFS main campus and collaborative partner CHNw's service facilities, including a major metropolitan hospital and outpatient behavioral healthcare offices. In addition, Pando is located on a bus line and there are many amenities in walking and/or biking distance from the apartment complex.

One of Pando's goals is to emphasize opportunities for client engagement. The on-site food pantry is a key example of providing a valuable service that tenants might find appealing that offers opportunity to connect with tenants and facilitate an environment where they trust the service providers and find that they would be interested in accessing additional supportive services. A key element of our service plan is to help clients learn to access community resources and navigate systems of care. With many nearby amenities, the selected location facilitates this goal. As we continue to work with those interested in services, Pando seeks to connect them with external community resources and emphasize the development of skills needed to find solutions beyond Pando that can help meet their needs.

7. Will more than 16 persons live in a single structure? Yes

7a. Describe the local market conditions that necessitate a project of this size.

In September 2021, there were 181 YYA headed households in the Indy CoC Coordinated Entry System. The YYA entering CES have higher assessment scores than their peers in other age groups, meaning they have more barriers to housing stability. Pando is the first permanent supportive housing project that serves YYA, specializing in serving YYA with former involvement in the child welfare/foster care system.

7b. Describe how the project will be integrated into the neighborhood.

The Pando program includes 30 1-bedroom units. The rationale for this size of facility is multi-faceted. First, the number of individuals that are experiencing homelessness in Indianapolis far exceeds the number of available units, even in this specific targeted population. A facility of 16 or less would have been less impactful to the community and would have left more individuals still experiencing homelessness. Second, to be fiscally viable as a program, it is not possible to purchase land, construct a building, hire property management and maintenance personnel, and have on-site supportive service personnel with the broad depth of services offered with fewer units. Finally, the selected facility size is manageable for building a sense of community among the tenants; it is neither too small nor too large.

The physical structure was developed to complement the surrounding neighborhood, which includes a variety of homes and businesses, including the LCFS main campus, medical offices, nursing care facilities, churches, a school,

and Community Hospital East. The design has successfully achieved this objective and has been well received by neighbors, tenants, and the community as a whole.

100% Dedicated or DedicatedPLUS

A "100% Dedicated" project is a permanent supportive housing project that commits 100% of its beds to chronically homeless individuals and families, according to NOFA Section lll.3.b.

A "DedicatedPLUS" project is a permanent supportive housing project where 100% of the beds are dedicated to serve individuals with disabilities and families in which one adult or child has a disability, including unaccompanied homeless youth, that at a minimum, meet ONE of the following criteria according to NOFA Section lll.3.d:

(1) experiencing chronic homelessness as defined in 24 CFR 578.3;
(2) residing in a transitional housing project that will be eliminated and meets the definition of chronically homeless in effect at the time in which the individual or family entered the transitional housing project;
(3) residing in a place not meant for human habitation, emergency shelter, or safe haven; but the individuals or families experiencing chronic homelessness as defined at 24 CFR 578.3 had been admitted and enrolled in a permanent housing project within the last year and were unable to maintain a housing placement;
(4) residing in transitional housing funded by a joint TH and PH-RRH component project and who were experiencing chronic homelessness as defined at 24 CFR 578.3 prior to entering the project;
(5)residing and has resided in a place not meant for human habitation, a safe haven, or emergency shelter for at least 12 months in the last three years, but has not done so on four separate occasions; or
(6) receiving assistance through a Department of Veterans Affairs(VA)-funded homeless assistance program and met one of the above criteria at initial intake to the VA's homeless assistance system.

A renewal project where 100 percent of the beds are dedicated in their current grant as described in NOFA Section lll.A.3.b. must either become DedicatedPLUS or remain 100% Dedicated. If a renewal project currently has 100 percent of its beds dedicated to chronically homeless individuals and families and elects to become a DedicatedPLUS project, the project will be required to adhere to all fair housing requirements at 24 CFR 578.93. Any beds that the applicant identifies in this application as being dedicated to chronically homeless individuals and families in a DedicatedPLUS project must continue to operate in accordance with Section lll.A.3.b. Beds are identified on Screen 4B.

8. Is this project 100% Dedicated or DedicatedPLUS? DedicatedPLUS

3C. Project Expansion Information

1. Is this a "Project Expansion" of an eligible renewal project? No

4A. Supportive Services for Participants

1. Describe how program participants will be assisted to obtain and remain in permanent housing.

Unlike some types of housing programs, Pando does not include a time-limit for tenants. While there is a target age range, tenants are not required to move out upon reaching the age of 25 unless that is their choice. Tenants that feel they are ready to move on to a different living arrangement will be encouraged to work with a member of the supportive services team to plan for this transition so that they do not experience a disruption in housing.

If tenants are demonstrating behaviors that might jeopardize their housing, supportive services will work closely with Property Management to address any concerns through our established Eviction Prevention Plan. It is our goal to provide support and coaching to tenants to ensure that they understand their lease obligations and conduct themselves in a manner that is conducive to a safe and enjoyable environment for themselves and the other tenants.

2. Describe the specific plan to coordinate and integrate with other mainstream health, social services, and employment programs for which program participants may be eligible.

LCFS has a long history of working with other organizations to address community needs. The premier example of this approach is the highly integrated collaborative relationship between LCFS and Community Health Network (CHNw) through the Management Services Agreement (MSA). The support, insight, and professional services from CHNw staff are a valuable addition to the services provided for the youth/young adults by LCFS personnel. LCFS and CHNw are committed to continuing this relationship, which brings a rich array of resources to LCFS including a large pool of behavioral health care experts, as well as administrative specialists skilled in legal matters, Human Resources, and Medicaid billing.

Additional collaborative partners expected to play a significant role in programming, including Goodwill of Central and Southern Indiana (Goodwill); Jane Pauley Community Health Center; and EmployIndy. Goodwill is a current partner of LCFS for other programming, including alternative education for Trinity House, and 2Gen work related to educational/employment services and case management for the LCFS INSPIRE program. Goodwill currently works with adult caregivers of the families served by LCFS through INSPIRE. LCFS plans to draw on their expertise in career development for Pando supportive services clients. Pando residents can benefit from skills-based technical and vocational training opportunities, as well as employment assistance from Goodwill. LCFS already has an MOU in place with Goodwill which can be modified to include Pando clients. Jane Pauley Community Health Center provides low/no cost primary health care to individuals with limited income.

EmployIndy is an established partner with LCFS; we have an MOU in place for job skills training through the Job Ready Indy (JRI) program for several LCFS service lines. LCFS will expand the MOU to include the residents of Pando.

3. For all supportive services available to program participants, indicate who will provide them and how often they will be provided. Click 'Save' to update.

Supportive Services		Provider	Frequency
Assessment of Service Needs		Subrecipient	Quarterly
Assistance with Moving Costs		Subrecipient	As needed
Case Management		Subrecipient	Weekly
Child Care		Subrecipient	As needed
Education Services		Subrecipient	As needed
Employment Assistance and Job Training		Subrecipient	Quarterly
Food		Subrecipient	Weekly
Housing Search and Counseling Services		Subrecipient	As needed
Legal Services		Partner	As needed
Life Skills Training		Subrecipient	As needed
Mental Health Services		Partner	As needed
Outpatient Health Services		Partner	As needed
Outreach Services		Non-Partner	As needed
Substance Abuse Treatment Services		Partner	As needed
Transportation		Subrecipient	As needed
Utility Deposits		Non-Partner	As needed

Identify whether the project will include the following activities:

4. Transportation assistance to clients to attend mainstream benefit appointments, employment training, or jobs? Yes

5. Annual follow-ups with program participants to ensure mainstream benefits are received and renewed? Yes

6. Will program participants have access to SSI/SSDI technical assistance provided by this project the applicant, a subrecipient, or partner agency? Yes

6a. Has the staff person providing the technical assistance completed SOAR training in the past 24 months. No

4B. Housing Type and Location

The following list summarizes each housing site in the project. To add a housing site to the list, select the icon. To view or update a housing site already listed, select the icon.

Total Units: 30

Total Beds: 30

Total Dedicated CH Beds: 30

Housing Type	Housing Type (JOINT)	Units	Beds	Dedicated CH Beds
Clustered apartments	---	30	30	30

4B. Housing Type and Location Detail

1. Housing Type: Clustered apartments

2. Indicate the maximum number of units and beds available for program participants at the selected housing site.

2a. Units: 30

2b. Beds: 30

3. How many beds in "2b. Beds" are dedicated to persons experiencing chronic homelessness? 30

This includes both the "dedicated" and "prioritized" beds.

4. Address:

Project applicants must enter an address for all proposed and existing properties. If the location is not yet known, enter the expected location of the housing units. For Scattered-site and Single-family home housing, or for projects that have units at multiple locations, project applicants should enter the address where the majority of beds will be located or where the majority of beds are located as of the application submission. Where the project uses tenant-based rental assistance in the RRH portion, or if the address for scattered-site or single-family homes housing cannot be identified at the time of application, enter the address for the project's administration office. Projects serving victims of domestic violence, including human trafficking, must use a PO Box or other anonymous address to ensure the safety of participants.

Street 1: 5626 E. 16th Street

Street 2:

City: Indianapolis

State: Indiana

ZIP Code: 46218

***5. Select the geographic area(s) associated with the address. For new projects, select the area(s) expected to be covered. (for multiple selections hold CTRL key)**

181404 Indianapolis

5A. Project Participants - Households

Households Table

	Households with at Least One Adult and One Child	Adult Households without Children	Households with Only Children	Total
Number of Households	2	28		30

Characteristics	Persons in Households with at Least One Adult and One Child	Adult Persons in Households without Children	Persons in Households with Only Children	Total
Persons over age 24				0
Persons ages 18-24	2	28		30
Accompanied Children under age 18	2			2
Unaccompanied Children under age 18				0
Total Persons	4	28	0	32

Click Save to automatically calculate totals

5B. Project Participants - Subpopulations

Persons in Households with at Least One Adult and One Child

Characteristics	CH (Not Veterans)	CH Veterans	Veterans (Not CH)	Chronic Substance Abuse	HIV/AIDS	Severely Mentally Ill	DV	Physical Disability	Developmental Disability	Persons Not Represented by a Listed Subpopulation
Persons over age 24										
Persons ages 18-24	2			1	0	1	1	0	0	
Children under age 18	2									
Total Persons	4	0	0	1	0	1	1	0	0	0

Click Save to automatically calculate totals

Persons in Households without Children

Characteristics	CH (Not Veterans)	CH Veterans	Veterans-(Not CH)	Chronic Substance Abuse	HIV/AIDS	Severely Mentally Ill	DV	Physical Disability	Developmental Disability	Persons Not Represented by a Listed Subpopulation
Persons over age 24										
Persons ages 18-24	28			15	2	20	10	0	0	
Total Persons	28	0	0	15	2	20	10	0	0	0

Click Save to automatically calculate totals

Persons in Households with Only Children

Characteristics	CH (Not Veterans)	CH Veterans	Veterans (Not CH)	Chronic Substance Abuse	HIV/AIDS	Severely Mentally Ill	DV	Physical Disability	Developmental Disability	Persons Not Represented by a Listed Subpopulation
Accompanied Children under age 18										
Unaccompanied Children under age 18										
Total Persons	0				0	0	0	0	0	0

6A. Funding Request

1. Will it be feasible for the project to be under grant agreement by September 15, 2023?	Yes
2. What type of CoC funding is this project applying for in this CoC Program Competition?	Reallocation
3. Does this project propose to allocate funds according to an indirect cost rate?	No
4. Select a grant term:	1 Year

*** 5. Select the costs for which funding is requested:**

Acquisition/Rehabilitation/New Construction	
Leased Units	
Leased Structures	
Rental Assistance	
Supportive Services	X
Operating	
HMIS	X

6. If conditionally awarded, is this project requesting an initial grant term greater than 12 months? (13 to 18 months)	No

6F. Supportive Services Budget

A quantity AND description must be entered for each requested cost.

Eligible Costs	Quantity AND Description (max 400 characters)	Annual Assistance Requested
1. Assessment of Service Needs		
2. Assistance with Moving Costs		
3. Case Management	CoC Funding for 2.0 FTE - Care Coordinator/MSA Pando Program Mgr/Client Engagement and Community Programs Manager	$118,500
4. Child Care		
5. Education Services		
6. Employment Assistance		
7. Food		
8. Housing/Counseling Services		
9. Legal Services		
10. Life Skills	CoC funding for 0.5 FTE - Care Coordinator/Program Assistants/Peer Support Specialist/Support Specialists	$19,000
11. Mental Health Services		
12. Outpatient Health Services		
13. Outreach Services		
14. Substance Abuse Treatment Services		
15. Transportation	Agency vehicle expenses (insurance, plates, maintenance, gas) and bus passes	$3,500
16. Utility Deposits		
17. Operating Costs	Program Supplies Staff Training, Client Activity Expenses, Technology Expenses	$9,489
Total Annual Assistance Requested		$150,489
Grant Term		1 Year
Total Request for Grant Term		$150,489

Click the 'Save' button to automatically calculate totals.

6H. HMIS Budget

Instructions:

Enter the quantity and total budget request for each HMIS cost. The request entered should be equivalent to the cost of one year of the relevant HMIS activity. The system populates a list of eligible costs associated with the implementation of an HMIS and for which CoC funds can be requested.

Quantity Detail: This is a required field. A quantity AND description must be entered for each requested cost. Enter the quantity in detail (eg. .75 FTE hours and benefits for staff, utility types, monthly allowance for food and supplies) for each HMIS cost for which funding is being requested. Please note that simply stating “1FTE” is NOT providing “Quantity AND Detail” and restricts understanding of what is being requested. Failure to enter adequate “Quantity AND Detail” may result in conditions being placed on the award and a delay of grant funding.

Annual Assistance Requested: This is a required field. For each grant year, enter the amount funds requested for each activity.

Total Annual Assistance Requested: This field is automatically calculated based on the sum of the annual assistance requests entered for each activity.

Grant term: This field is populated based on the grant term selected on Screen “6A. Funding Request" and will be read only.

Total Request for Grant Term: This field is automatically calculated based on the total amount requested for each eligible cost multiplied by the grant term.

All total fields will be calculated once the required field has been completed and saved.

Additional Resources can be found at the HUD Exchange:
https://www.hudexchange.info/e-snaps/guides/coc-program-competition-resources

A quantity AND description must be entered for each requested cost.

Eligible Costs	Quantity AND Description (max 400 characters)	Annual Assistance Requested
1. Equipment		
2. Software		
3. Services		
4. Personnel	MSA Pando Program Mgr- HMIS data entry 2.5 hours/week	$4,056
5. Space & Operations		
Total Annual Assistance Requested:		$4,056
Grant Term:		1 Year
Total Request for Grant Term:		$4,056

Click the 'Save' button to automatically calculate totals.

6I. Sources of Match

The following list summarizes the funds that will be used as Match for this project. To add a Match source to the list, select the icon. To view or update a Match source already listed, select the icon.

Summary for Match

Total Amount of Cash Commitments:	$72,615
Total Amount of In-Kind Commitments:	$0
Total Amount of All Commitments:	$72,615

1. Will this project generate program income described in 24 CFR 578.97 to use as Match for this project? No

Type	Source	Name of Source	Amount of Commitments
Cash	Private	Foundation for LCFS	$72,615

Sources of Match Detail

1. Type of Match commitment:	Cash
2. Source:	Private
3. Name of Source: **(Be as specific as possible and include the office or grant program as applicable)**	Foundation for LCFS
4. Amount of Written Commitment:	$72,615

6J. Summary Budget

The following information summarizes the funding request for the total term of the project. However, administrative costs can be entered in 8. Admin field below.

Eligible Costs	Annual Assistance Requested (Applicant)	Grant Term (Applicant)	Total Assistance Requested for Grant Term (Applicant)
1a. Acquisition			$0
1b. Rehabilitation			$0
1c. New Construction			$0
2a. Leased Units	$0	1 Year	$0
2b. Leased Structures	$0	1 Year	$0
3. Rental Assistance	$0	1 Year	$0
4. Supportive Services	$150,489	1 Year	$150,489
5. Operating	$0	1 Year	$0
6. HMIS	$4,056	1 Year	$4,056
7. Sub-total Costs Requested			$154,545
8. Admin (Up to 10%)			$15,455
9. Total Assistance Plus Admin Requested			$170,000
10. Cash Match			$72,615
11. In-Kind Match			$0
12. Total Match			$72,615
13. Total Budget			$242,615

Click the 'Save' button to automatically calculate totals.

7A. Attachment(s)

Document Type	Required?	Document Description	Date Attached
1) Subrecipient Nonprofit Documentation	No	LCFS IRS Determin...	11/01/2021
3) Other Attachment(s)	No	Health Service Ag...	11/08/2021
2) Other Attachment(s)	No	PHA Agreement	11/08/2021

Attachment Details

Document Description: LCFS IRS Determination Letter

Attachment Details

Document Description: Health Service Agreement

Attachment Details

Document Description: PHA Agreement

7D. Certification

A. For all projects:

Fair Housing and Equal Opportunity

It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) and regulations pursuant thereto (Title 24 CFR part I), which state that no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance, and will immediately take any measures necessary to effectuate this agreement. With reference to the real property and structure(s) thereon which are provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer, transferee, for the period during which the real property and structure(s) are used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

It will comply with the Fair Housing Act (42 U.S.C. 3601-19), as amended, and with implementing regulations at 24 CFR part 100, which prohibit discrimination in housing on the basis of race, color, religion, sex, disability, familial status or national origin.

It will comply with Executive Order 11063 on Equal Opportunity in Housing and with implementing regulations at 24 CFR Part 107 which prohibit discrimination because of race, color, creed, sex or national origin in housing and related facilities provided with Federal financial assistance.

It will comply with Executive Order 11246 and all regulations pursuant thereto (41 CFR Chapter 60-1), which state that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal contracts and shall take affirmative action to ensure equal employment opportunity. The applicant will incorporate, or cause to be incorporated, into any contract for construction work as defined in Section 130.5 of HUD regulations the equal opportunity clause required by Section 130.15(b) of the HUD regulations.

It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701(u)), and regulations pursuant thereto (24 CFR Part 135), which require that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project and contracts for work in connection with the project be awarded in substantial part to persons residing in the area of the project.

It will comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and with implementing regulations at 24 CFR Part 8, which prohibit discrimination based on disability in Federally-assisted and conducted programs and activities.

It will comply with the Age Discrimination Act of 1975 (42 U.S.C. 6101-07), as amended, and implementing regulations at 24 CFR Part 146, which prohibit discrimination because of age in projects and activities receiving Federal financial assistance.

It will comply with Executive Orders 11625, 12432, and 12138, which state that program participants shall take affirmative action to encourage participation by businesses owned and operated by members of minority groups and women.

If persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for assistance are unlikely to be reached, it will establish additional procedures to ensure that interested persons can obtain information concerning the assistance.

It will comply with the reasonable modification and accommodation requirements and, as appropriate, the accessibility requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973, as amended.

Additional for Rental Assistance Projects:

If applicant has established a preference for targeted populations of disabled persons pursuant to 24 CFR part 578 or 24 CFR 582.330(a), it will comply with this section's nondiscrimination requirements within the designated population.

B. For non-Rental Assistance Projects Only.

15-Year Operation Rule.

Applicants receiving assistance for acquisition, rehabilitation or new construction: The project will be operated for no less than 15 years from the date of initial occupancy or the date of initial service provision for the purpose specified in the application.

1-Year Operation Rule.

Applicants receiving assistance for supportive services, leasing, or operating costs but not receiving assistance for acquisition, rehabilitation, or new construction: The project will be operated for the purpose specified in the application for any year for which such assistance is provide

Where the applicant is unable to certify to any of the statements in this certification, such applicant shall provide an explanation.

Name of Authorized Certifying Official: Jennifer Fults

Date: 11/08/2021

Title: Adminstrator

Applicant Organization: City of Indianapolis

PHA Number (For PHA Applicants Only):

I certify that I have been duly authorized by the applicant to submit this Applicant Certification and to ensure compliance. I am aware that any false, ficticious, or fraudulent X

statements or claims may subject me to criminal, civil, or administrative penalties . (U.S. Code, Title 218, Section 1001).	
Active SAM Status Requirement. I certify that our organization has an active System for Award Management (SAM) registration as required by 2 CFR 200.300(b) at the time of project application submission to HUD and will ensure this SAM registration will be renewed annually to meet this requirement.	X

8B. Submission Summary

Applicant must click the submit button once all forms have a status of Complete.

Page	Last Updated
1A. SF-424 Application Type	No Input Required

1B. SF-424 Legal Applicant	No Input Required
1C. SF-424 Application Details	No Input Required
1D. SF-424 Congressional District(s)	10/22/2021
1E. SF-424 Compliance	10/22/2021
1F. SF-424 Declaration	10/22/2021
1G. HUD 2880	10/22/2021
1H. HUD 50070	10/22/2021
1I. Cert. Lobbying	10/22/2021
1J. SF-LLL	10/22/2021
IK. SF-424B	10/22/2021
1L. SF-424D	10/22/2021
2A. Subrecipients	11/05/2021
2B. Experience	11/05/2021
3A. Project Detail	10/22/2021
3B. Description	11/05/2021
3C. Expansion	10/22/2021
4A. Services	11/05/2021
4B. Housing Type	10/22/2021
5A. Households	10/22/2021
5B. Subpopulations	No Input Required
6A. Funding Request	10/22/2021
6F. Supp Srvcs Budget	11/05/2021
6H. HMIS Budget	11/01/2021
6I. Match	10/22/2021
6J. Summary Budget	No Input Required
7A. Attachment(s)	11/08/2021
7D. Certification	11/05/2021

IRS Department of the Treasury
Internal Revenue Service
P.O. Box 2508
Cincinnati OH 45201

In reply refer to: 0248323016
Nov. 14, 2011 LTR 4168C E0
35-0868123 000000 00
00016093
BODC: TE

LUTHERAN CHILD & FAMILY SERVICES OF
INDIANA
1525 N RITTER AVE
INDIANAPOLIS IN 46219-3026

055111

Employer Identification Number: 35-0868123
Person to Contact: Yvette Davis
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Nov. 02, 2011, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in December 1942.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(2).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.

0248323016
Nov. 14, 2011 LTR 4168C E0
35-0868123 000000 00
00016094

LUTHERAN CHILD & FAMILY SERVICES OF
INDIANA
1525 N RITTER AVE
INDIANAPOLIS IN 46219-3026

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

S. A. Martin, Operations Manager
Accounts Management Operations

MANAGEMENT SERVICES AGREEMENT

between

COMMUNITY HEALTH NETWORK, INC. D/B/A
GALLAHUE MENTAL HEALTH SERVICES

and

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

Dated as of
December 19, 2012

List of Schedules and Exhibits

Schedule 1	Definitions
Exhibit A-1	Lutherwood Programs
Exhibit A-2	CHNw Programs
Exhibit B	Program Expenses and Program Revenues
Exhibit C	Year 1 Annual Budget

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made as of December 19, 2012 (the "Execution Date") by and between Community Health Network, Inc. d/b/a Gallahue Mental Health Services, an Indiana nonprofit corporation ("CHNw"), and Lutheran Child and Family Services of Indiana/Kentucky, Inc., an Indiana nonprofit corporation ("LCFS").

RECITALS

WHEREAS, LCFS operates: (a) a licensed psychiatric residential treatment facility located at 1525 N. Ritter Avenue, Indianapolis, IN 46219 and known as the "Lutherwood Treatment Center" (the "Facility"); and (b) a series of related programs, including but not limited to those programs described in Exhibit A-1 attached to this Agreement and incorporated herein by reference (collectively, the "Lutherwood Programs");

WHEREAS, LCFS desires to engage CHNw to manage the Facility and all of the Lutherwood Programs (but not including the Excluded Program (as defined below)) on behalf of LCFS;

WHEREAS, LCFS also desires for CHNw to provide, on behalf of LCFS, certain additional services described in Exhibit A-2 attached to this Agreement and incorporated herein by reference, in addition to certain youth based community services also set forth in Exhibit A-2 (collectively, the "CHNw Programs" and, together with the Lutherwood Programs, the "Programs"), and for CHNw to employ all of the clinical, direct care and management staff (other than the LCFS CEO (as defined below)) required to operate the Program Facilities (as defined below) and the Programs except as provided herein;

WHEREAS, CHNw desires to manage the Facility and the Lutherwood Programs (but not the Excluded Program) on behalf of LCFS, and to provide and manage the CHNw Programs, and it is willing to directly employ all of the clinical, direct care and management staff (other than the LCFS CEO) required to operate the Facility and the Programs except as provided herein;

WHEREAS, the Foundation for Lutheran Child and Family Services, Indiana, Inc. (the "Foundation") owns all of the real property, equipment and all other assets that are currently being utilized by LCFS (other than personal property owned by LCFS) in connection with the operation of the Facility and the Lutherwood Programs; and

WHEREAS, concurrently with the execution of this Agreement, LCFS and the Foundation will enter into a Lease Agreement (the "Lease"), pursuant to which the Foundation shall agree to lease the Program Facilities to LCFS on commercially reasonable terms, which Lease shall be subject to prior review and approval by CHNw pursuant to Section 5.01(a).

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENTS

ARTICLE I
DEFINITIONS

Capitalized terms used but not defined in this Agreement shall have the respective meanings assigned thereto in Schedule 1 attached hereto and incorporated by reference in this Agreement.

ARTICLE II
APPOINTMENT OF CHNW AS MANAGER; GENERAL OBLIGATIONS OF CHNW

2.01 Appointment of CHNw to Manage Facility and Lutherwood Programs. On and as of the Commencement Date, subject to the terms and conditions of this Agreement, including but not limited to the authority of the Management Oversight Committee under Article VI, LCFS appoints CHNw, and CHNw accepts appointment, as the sole and exclusive manager for the operation and management of the Program Facilities and the Programs (not including the Excluded Program) during the Term. Without limiting anything in this Agreement to the contrary, the parties agree that CHNw shall have no responsibility or liability to LCFS or to any third party with respect to the Excluded Program.

2.02 Engagement of Employees. Except as provided on Exhibit A-1, on and as of the Commencement Date and continuing during the Term, CHNw shall employ all of the clinical, direct care and management staff (other than the LCFS CEO) required to operate the Program Facilities and the Programs (not including the Excluded Program) in accordance with and as provided in Article IV.

2.03 Agreement to Provide CHNw Programs. Without limiting anything in this Article II, on and as of the Commencement Date and continuing during the Term, CHNw shall also: (a) be responsible for all aspects of the operation and management of the CHNw Programs (not including the Excluded Program); and (b) make the CHNw Programs available to LCFS for purposes of this Agreement.

2.04 General Management Authority of CHNw.

(a) Subject to the provisions of Article IV and Article VI, on and as of the Commencement Date and continuing during the Term, all day-to-day operations of the Program Facilities and the Programs (not including the Excluded Program) shall be under the supervision of CHNw, which shall be responsible for the proper and efficient management of the Program Facilities and the Programs (not including the Excluded Program) subject to the terms and conditions of this Agreement.

(b) Without limiting the generality of the foregoing, CHNw shall:

(i) provide, or, with the approval of the Management Oversight Committee, arrange for the provision of all clinical and direct care services (collectively, the "Treatment Services") to clients of the Programs (collectively, the "Program Clients");

(ii) provide, or, with the approval of the Management Oversight Committee, arrange for the provision of all support services in connection with the operation of the Program Facilities or the Programs (except for the LCFS Support Services), including but not limited to: (A) billing and collection services as described in Article VII; (B) dietary services; (C) transportation services; (D) security services (taking into account currently installed systems); (E) risk management; (F) quality of care; (G) human resources; (H) payroll; (I) contracting; (J) finance and accounting; (K) purchasing and accounts payable; and other support services (collectively, the "CHNw Support Services"). The Management Oversight Committee may from time to time change the support services for which CHNw shall be responsible;

(iii) provide or arrange for, with the approval of the Management Oversight Committee, the provision of information technology and telecommunications equipment and services in connection with the operation of the Program Facilities or the Programs as determined from time to time by the Management Oversight Committee, which are intended to be transitioned from LCFS to CHNw on or before May 1, 2013;

(iv) (A) maintain: (1) any and all licenses, permits, accreditations and approvals, including provider contracts and provider numbers, required in order to perform CHNw's obligations pursuant to this Agreement and otherwise in connection with the operation of the Program Facilities and the Programs; and (2) its Community Mental Health Center ("CMHC") status in connection with the operation of the Program Facilities and the Programs; and (B) comply with all applicable Requirements of Law in the performance of CHNw's obligations under this Agreement; and

(v) provide such services, as contemplated hereunder, and any and all books, records, financial and other information and reports and data to LCFS to the extent required to ensure that LCFS is able to satisfy its obligations timely and fully under Section 3.01(d).

2.05 Representation on the LCFS Board. Within ninety (90) days of the Commencement Date and continuing during the Term, CHNw shall be entitled to have two (2) individuals designated by CHNw serve as voting members of the LCFS Board of Directors (the "CHNw Appointed Board Members"). LCFS agrees that it shall take any and all actions that may be required to ensure that the CHNw Appointed Board Members are duly elected or appointed to the LCFS Board of Directors within ninety (90) days of the Commencement Date in connection with LCFS' internal processes and nomination/voting procedures. The CHNw Appointed Board Members shall not be removed from the LCFS Board of Directors during the remainder of the Term without prior notice to and the prior consent of CHNw. CHNw shall be entitled to designate successors for either or both of the CHNw Appointed Board Members from time to time on notice to LCFS.

ARTICLE III
LCFS OBLIGATIONS AND RETAINED POWERS

3.01 LCFS Obligations. Notwithstanding anything in this Agreement to the contrary, LCFS shall be required to:

(a) pursuant to the Lease (or otherwise, in the case of tangible personal property) , make available, directly or indirectly through the Foundation, all existing physical space, furniture, fixtures, equipment and other hard assets used in connection with the operation of the Lutherwood Programs (including but not limited to the Program Facilities) as further provided in Article V;

(b) employ such individuals as may be required to be responsible for providing limited finance/accounting services in connection with the Facility and/or to the Foundation;

(c) provide or, with the approval of the Management Oversight Committee, arrange for the provision of certain other support services in connection with the operation of the Program Facilities and the Programs as follows: (i) grounds and facilities management services; (ii) laundry services; and (iii) environmental services (the "LCFS Support Services"); provided, however, that notwithstanding the foregoing, LCFS shall be entitled to subcontract with third parties for the provision of the LCFS Support Services only if CHNw is not willing or able to provide such services. The Management Oversight Committee may from time to time change the support services for which LCFS shall be responsible;

(d) (i) maintain any and all licenses, permits, accreditations and approvals required to perform LCFS' obligations pursuant to this Agreement and otherwise in connection with the operation of the Program Facilities and the Lutherwood Programs; (ii) comply with all applicable Requirements of Law in the performance of LCFS' obligations under this Agreement; and (iii) pursue contracts and grants specifically designated and restricted for the use and benefit of the Programs and Program Facilities and comply with the terms of any such grants.

(e) maintain an ongoing relationship with the Foundation, which shall include but not be limited to complying with the Lease and any and all other obligations of or agreements between LCFS to the Foundation, including but not limited to any reporting requirements thereunder; and

(f) provide such services, as contemplated herein, and any and all books, records, financial information and other reports to CHNw to the extent required pursuant to this Agreement to ensure that CHNw can perform its obligations under this Agreement, including with respect to cash reconciliation pursuant to Section 7.05.

3.02 Obligations Exclusively Reserved to LCFS. Notwithstanding anything to the contrary in this Agreement, as between CHNw and LCFS, LCFS shall retain the sole responsibility and obligation to:

(a) operate and manage the Excluded Program;

(b) hire or discharge any employee responsible for providing any finance/accounting services described in Section 3.01(b) or the LCFS Support Services;

(c) hire, make compensation decisions regarding, discipline or terminate the LCFS CEO; and

(d) pay or discharge when due (but only to the extent legally obligated to do so) any and all compensation, wages, bonuses, claims, and charges of any nature whatsoever of employees of LCFS that arise prior to the Commencement Date and out of or related to their employment with LCFS, regardless of whether such employees are offered and/or accept an offer of employment with CHNw pursuant to Section 4.02 (collectively, the "Terminated Employees"), including but not limited to any severance payments, payments for any unused, accrued time off, and obligations, if any, for continuation of medical and/or health benefits required under COBRA.

ARTICLE IV
PERSONNEL MATTERS

4.01 Engagement of LCFS Personnel by CHNw. Except as set forth on Exhibit A-1, prior to the Commencement Date, CHNw shall determine, in its sole discretion, which individuals who were employed by LCFS prior to the Commencement Date, if any, will be hired as employees of CHNw on and as of the Commencement Date to provide the Treatment Services, the CHNw Support Services, and all employees responsible for managing the Program Facilities and Programs (collectively, the "New Employees"), and CHNw shall inform LCFS of its decision prior to the Commencement Date. The New Employees shall become employees of CHNw as of the Commencement Date. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of CHNw with respect to employees or to create or grant to any such employees third-party beneficiary rights or claims of any kind or nature. LCFS shall take appropriate measures to formally terminate all New Employees on or before the Commencement Date.

4.02 CHNw Personnel. The New Employees shall be employees of CHNw as of the Commencement Date, and CHNw shall have sole responsibility and authority to hire, train, promote, assign, supervise and discharge such personnel. CHNw shall be responsible for the formulation, implementation, modification and administration of wage scales, rates of compensation, employee insurance and leave benefits, employee taxes, in-service training, worker's compensation coverage, attendance at seminars or conferences, staffing schedules, job descriptions and personnel policies with respect to such personnel. The wages/salaries, benefits, and other employment-related costs and obligations for or with regards to the New Employees shall be paid or provided by CHNw.

4.03 Employee Benefits Matters. CHNw shall make available to all New Employees coverage under the benefit plans available to similarly situated employees of CHNw on substantially the same terms and conditions applicable to such similarly situated employees. Except as set forth in this Section 4.03, CHNw shall recognize the existing seniority and service credit with LCFS of all New Employees for benefits purposes in CHNw's retirement plans and other plans which consider seniority and shall provide credit under such plans for purposes of and determining eligibility, vesting and level of benefits, subject to the terms and conditions of such plans; provided, however, that CHNw shall not recognize the existing senior and service credit with LCFS of New Employees under such plans with respect to benefit accruals.

4.04 Chief Executive Officer. LCFS shall make available an individual to serve as the Chief Executive Officer of LCFS, and who shall also provide services to or for the benefit of the

Foundation (the "LCFS CEO") based on a division of time to be determined by the Management Oversight Committee. The LCFS CEO shall meet the Department of Child Services ("DCS") licensing requirements. The initial and continuing appointment of the LCFS CEO shall be in the sole discretion of the LCFS Board of Directors.

4.05 LCFS Personnel. The LCFS CEO and all employees responsible for providing the LCFS Support Services, YouthBuild Indy services as set forth on Exhibit A-1 and services otherwise contemplated by Section 3.01 shall be employees of LCFS, and LCFS shall have sole responsibility and authority to recruit, hire, train, promote, assign, supervise and discharge such personnel. LCFS shall be responsible for the formulation, implementation, modification and administration of wage scales, rates of compensation, employee insurance and leave benefits, employee taxes, in-service training, workers' compensation coverage, attendance at seminars or conferences, staffing schedules, job descriptions and personnel policies with respect to such personnel. The wages/salaries, benefits and other employment related costs and obligations for or with regards to such personnel shall be paid directly by LCFS. LCFS agrees to employ the minimum number of personnel required to provide the LCFS Support Services and other services contemplated by Section 3.01 (taking into account services to be provided by CHNw under Section 2.04).

ARTICLE V
PROGRAM FACILITIES; CAPITAL IMPROVEMENTS; INSURANCE; CASUALTY AND CONDEMNATION

5.01 Leases; Other Facilities.

(a) Concurrently with the execution of this Agreement, LCFS and the Foundation shall enter into a Lease Agreement (the "Lease"), in the form approved by CHNw, pursuant to which the Foundation shall agree to lease to LCFS, on commercially reasonable terms, the Facility and any other real property assets, which are used for the provision of the Program Services (collectively, other than the Chapel, the "Program Facilities"). The Foundation shall also lease to LCFS any tangible personal property it currently owns which is located in or at the Program Facilities and currently used for Program Services, and LCFS shall make such personalty, together with tangible personal property it owns and currently uses for such purposes in or at the Program Facilities, available to CHNw as necessary and appropriate hereunder. The Lease approval of CHNw may be evidenced by CHNw signing the Lease solely for such purpose.

(b) On or concurrently with the Commencement Date, CHNw shall sublease from LCFS approximately 1,286 square feet of dedicated office space and office furnishings currently located within Program Facilities to deliver outpatient behavioral health services in connection with/support of the Programs.

(c) CHNw shall make available for the benefit of the Programs certain facilities for the provision of community based wrap around services on such terms and conditions as shall be agreed by the parties from time to time as confirmed by the Management Oversight Committee.

5.02 Condemnation.

(a) In the event all or substantially all of the Facility shall be taken in any eminent domain, condemnation, compulsory acquisition or similar proceeding by any competent authority for any public or quasi-public use or purpose, or in the event a portion of the Facility shall be so taken, but the result is that it is unreasonable to continue to operate the Facility in accordance with the standards required by this Agreement, this Agreement shall terminate effective as of the date of such taking or similar proceeding. Each of LCFS and CHNw shall each have the right to initiate such proceedings as they deem advisable to recover any damages to which they may be entitled.

(b) In the event a portion of the Facility shall be taken by the events described in Section 5.02(a) or all of the Facility is affected but on a temporary basis, and the result is not to make it unreasonable to continue to operate the Facility, this Agreement shall not terminate. However, so much of any award for any such partial taking or condemnation as shall be necessary to render the Facility equivalent to its condition prior to such event shall be used by LCFS for such purpose, and CHNw shall have the right to discontinue managing the Facility or portion of the Facility to the extent it deems necessary for the safe and orderly operation of the Facility.

(c) In the event of any proceedings described in Sections 5.02(a) or 5.05(b), and if LCFS and CHNw cannot agree on a fair and equitable apportionment of any such award, the dispute shall be resolved through the dispute resolution procedures pursuant to Article XIV.

ARTICLE VI
MANAGEMENT OVERSIGHT COMMITTEE; CHIEF OPERATIONS OFFICER; CAPITAL CALLS; CONTRACTS

6.01 Composition. On or before the Commencement Date, LCFS and CHNw shall establish a six (6) member management oversight committee (the "Management Oversight Committee"), which shall be comprised of: (a) two (2) representatives of CHNw (the "CHNw Committee Representatives"), who shall be appointed by CHNw, and shall be voting members of the committee; (b) two (2) representatives of LCFS, who shall be appointed by LCFS (the "LCFS Committee Representatives") and shall be voting members of the committee; and (c) the LCFS CEO and the Chief Operations Officer as *ex officio*, non-voting members of the committee. The Management Oversight Committee shall be generally responsible for overseeing the parties' agreements and arrangements set forth in this Agreement and the operation and management of the Program Facilities and the Programs in accordance herewith. The Management Oversight Committee shall be entitled to delegate any of its rights or responsibilities under this Agreement to any individual or entity in its sole discretion.

6.02 Meetings. Regular meetings of the Management Oversight Committee shall occur once each calendar quarter during the first full year after the Commencement Date, and thereafter at such intervals as shall be determined by the Management Oversight Committee. Special meetings of the Management Oversight Committee may be called from time to time by any member of the Management Oversight Committee (including the *ex officio* members) by

providing the other members (including the *ex officio* members) with at least two (2) Business Days' written notice, which notice shall include sufficient details to understand the purpose for which the special meeting is called.

6.03 Decisions by the Management Oversight Committee; Deadlock. All decisions of the Management Oversight Committee shall require the unanimous consent of all four (4) voting members of the Committee (*i.e.*, the two (2) CHNw Committee Representatives and the two (2) LCFS Committee Representatives). In the event the voting members of the Management Oversight Committee are unable to reach a unanimous decision on a particular matter within a reasonable period of time not to exceed thirty (30) days following their good faith efforts (a "Deadlock"), the parties agree that such Deadlock may be escalated by either or both of them pursuant to the dispute resolution procedures set forth in Article XIV.

6.04 Actions Requiring Management Oversight Committee Approval. Subject to any approvals that may be required from the Boards of Directors of CHNw and LCFS, respectively, as the case may be, the Management Oversight Committee shall have the sole power and authority to approve (via a formal vote as necessary) the following actions described below:

(a) each Annual Budget and any and all changes, modifications or supplements thereto;

(b) any strategic plan and/or key performance indicators for the Program Facilities and/or the Programs, including quality and safety indicators, and any and all changes, modifications or supplements thereto;

(c) any proposed amendment, revision, modification or supplement to this Agreement;

(d) any profit/loss allocations or distributions to CHNw and LCFS pursuant to Section 7.06;

(e) the appointment or removal of the Chief Operations Officer;

(f) any determination with respect to material licensure/accreditation issues involving the Program Facilities and the Programs;

(g) any state contracts pertaining to the Program Facilities or the Programs, including any and all changes, modifications and supplements thereto;

(h) the prosecution or defense of any material litigation involving the Facility or the Programs, or the filing of any claim under any policy of insurance relating to the Facility or the Programs;

(i) any Capital Improvements;

(j) any Capitals Calls;

(k) the entry by either LCFS or CHNw into any contract for the Program Facilities or the Programs that: (i) involves any expenditure, individually or in the aggregate, of $10,000 or more; or (ii) does not allow LCFS or CHNw, as the case may be, the right to terminate without cause or for convenience, or which requires more than sixty (60) days' notice to terminate without cause or for convenience;

(l) any proposed amendment, revision, modification or supplement to the Lease, including but not limited to any change (including any increase) in the Lease rent paid thereunder and not provided for under the terms of the Lease;

(m) the development or launch by LCFS or CHNw of any significant new programs and services involving or affecting the Program Facilities or the Lutherwood Programs (including RFPs and grants);

(n) any material deviation from the Annual Budget for any Fiscal Year (*e.g.*, new programs, new full-time employees or equivalents, Capital Improvements, *etc.*);

(o) the conduct of annual or periodic performance reviews, financial and otherwise, of the Program Facilities and/or the Programs; and

(p) approval of Chief Operation Officer's annual goals and objectives.

6.05 Chief Operations Officer. On or before the Commencement Date, the Management Oversight Committee shall appoint an individual employee of CHNw to act as a managing director of the Program Facilities and the Programs (the "Chief Operations Officer"). The Chief Operations Officer shall oversee the day to day operations of the Program Facilities and the Programs and shall be responsible for the following, in addition to such other matters as may be delegated from time to time by the Management Oversight Committee in its discretion:

(a) the day to day management of the operations of the Program Facilities and the Programs, including the provision of the Treatment Services, the CHNw Support Services and the LCFS Support Services, consistent with this terms of this Agreement;

(b) executing the strategic plan for the Program Facilities and the Programs consistent with the Annual Budget for the relevant Fiscal Year;

(c) executing any activity that is consistent with the Annual Budget for each Fiscal Year;

(d) responding to local, state and federal requests for information; and

(e) any other activity not specifically reserved to the Management Oversight Committee for prior approval.

6.06. Submission of Information to the Management Oversight Committee. Beginning on the Commencement Date and during the Term, the LCFS CEO and the Chief Operations Officer shall be required to submit material information, notices and updates regarding the Program Facilities and the Programs to the Management Oversight Committee in between

meetings of the Management Oversight Committee, which information, notices and updates shall include, but may not be limited to:

(a) information relating to any litigation or claim involving the Program Facilities or the Programs;

(b) information relating to any insurance claims involving the Program Facilities or the Programs;

(c) information involving any regulatory issues (including any investigation or inquiry by any Governmental Authority) and any findings, fines, administrative or civil action, injunction, adjudication or the like regarding the Program Facilities or the Programs;

(d) anything that is determined to be reasonably likely to have a material adverse effect on the Program Facilities or the Programs; and

(e) information regarding any matter or determination that falls within the purview of the Management Oversight Committee pursuant to Section 6.01.

The parties agree that, in the event there is any doubt as to whether any information, notice or update should be provided to the Management Oversight Committee, the LCFS CEO or the Chief Operations Officer, as the case may be, should err on the side of providing such information, notice or update to the Management Oversight Committee.

6.07 Capital Calls. The Management Oversight Committee may determine, from time to time, that the Program Facilities or the Programs require an infusion of capital, which may include, but not be limited to, any infusion of capital the Management Oversight Committee may deem necessary to address a non-routine Capital Improvement or an emergency or other Capital Improvement that is not included in any Annual Budget. In such event, the Management Oversight Committee shall authorize a capital call (each, a "Capital Call"). The Management Oversight Committee shall provide written notice of such Capital Call to each of LCFS and CHNw, and each of LCFS and CHNw shall promptly, but in any event within fifteen (15) days of such notice, fund its ratable portion of such Capital Call (*i.e.*, 50% in each case) in cash or by wire transfer of funds to the bank account designated by the Management Oversight Committee for such purpose.

6.08 Contracts Pertaining to Program Facilities and Programs. Neither the Management Oversight Committee nor its individual members in their capacity as members of the Management Oversight Committee shall have the power or authority to execute contracts in the name of or to make commitments or to bind CHNw or LCFS. Beginning on the Commencement Date and continuing during the Term, all contracts pertaining to the Program Facilities or the Programs that are in LCFS' name shall be executed by an authorized representative of LCFS, subject to Section 6.04 and the provisions of this Section 6.08. All contracts pertaining to the Program Facilities or the Programs that are in CHNw's name shall be executed by an authorized representative of CHNw, subject to Section 6.04 and the provisions of this Section 6.08. LCFS acknowledges that all CHNw contracts are required to be submitted through CHNw's approval routing process.

ARTICLE VII
BILLING AND COLLECTIONS; PROGRAM REVENUES AND EXPENSES ALLOCATIONS OF PROFITS/LOSSES; CAPITAL IMPROVEMENTS AND NEEDS

7.01 Billing and Collections. Beginning on the Commencement Date and continuing during the Term, CHNw shall perform all billing functions related to the Programs utilizing the entity provider information as appropriate or required for the billed service.

7.02 Credits and Collections. CHNw shall install credit and collection policies and procedures, and shall institute reasonable steps necessary to effectuate billing and collection of accounts and monies owed relating to the Program Facilities and the Programs. This also includes the institution of legal proceedings in the name of CHNw or LCFS to collect such accounts or to enforce the rights of CHNw or LCFS as creditor under any contract in connection with the rendering of any service or the purchase of any goods, if necessary after CHNw has used commercially reasonable efforts to collect such accounts, or to enforce such rights without the institution of such proceedings. Any and all reasonable costs and/or fees charged by any third party in connection with the collections and/or enforcement set forth in this Section shall be included in the Program Expenses.

7.03 Attribution of Revenues.

(a) All revenues and accounts receivable derived or arising from the operation of the Program Facilities or the Lutherwood Programs prior to the Commencement Date shall be the sole property of LCFS. All revenues and accounts receivable derived or arising from the operation of the CHNw Programs prior to the Commencement Date shall be the sole property of CHNw.

(b) Beginning on the Commencement Date and continuing during the Term, any and all Program Revenues and related accounts receivables derived or arising from the operation of the Programs during the Term shall be attributed to this Agreement and the arrangements described herein and shall be applied as described in this Agreement.

7.04 Payment of Expenses. Beginning on the Commencement Date and continuing during the Term, the following Program Expenses shall be borne and paid as follows:

(a) all costs and expenses associated with and related to the performance of CHNw's obligations under this Agreement including, but not limited to, the employees responsible for providing Treatment Services and CHNw Support Services, the employees responsible for managing the Program Facilities and the Programs (except for the LCFS CEO and the employees providing the LCFS Support Services and other LCFS services contemplated by Sections 3.01 and 4.05), and the engagement of any subcontractors to perform CHNw's obligations hereunder, shall be borne and paid directly by CHNw; and

(b) all costs and expenses associated with and related to the performance of LCFS' obligations under this Agreement including, but not limited to, the LCFS CEO and all employees responsible for providing LCFS Support Services and other LCFS services contemplated by Sections 3.01 and 4.05, the engagement of any subcontractors to perform

LCFS' obligations hereunder, and rent and other obligations of LCFS as Tenant under the Lease, shall be borne and paid directly by LCFS.

7.05 Cash Flow Reconciliation. Beginning on the Commencement Date and continuing during the Term, cash flows from the operation of the Program Facilities and the Programs shall be reconciled and reported by CHNw to the Management Oversight Committee on a monthly basis for the first full year after the Commencement Date or such other period as may be determined by the Management Oversight Committee, and thereafter on a quarterly basis or at such other interval as shall be determined by the Management Oversight Committee.

7.06 Allocation and Distribution of Profits and Losses from Program Operations. Beginning on the Commencement Date and continuing during the Term, CHNw shall calculate the profit (or loss) derived from the operation of the Program Facilities and the Programs on a quarterly basis by determining the amount (if any) by which total Program Revenues exceed total Program Expenses for each such calendar quarter. Such determination shall be completed within a reasonable period following the end of each calendar quarter during the Term. Any profit or loss for any such calendar quarter shall be allocated between LCFS and CHNw equally (*i.e.*, on a 50/50 basis). To the extent any profits are payable to the parties for any such calendar quarter, such profits shall be distributed by CHNw to the parties promptly but in any event within thirty (30) days of the date of determination. To the extent that there is a loss for such quarter, such loss shall be recorded by CHNw and allocated as between the parties as described above and may be offset against any profits allocated or payable to either party in any succeeding calendar quarter.

7.07. Cash Shortfall Relating to Profit Distributions. In the event CHNw is required to calculate and to pay any distribution of profits to the parties pursuant to Section 7.06 above and there is then insufficient cash available to pay the full amount of such shortfall in distributable cash, CHNw shall advance funds as necessary to enable the distributions contemplated by Section 7.06 to be made. Interest shall accrue on funds advanced by CHNw in excess of Five Hundred thousand Dollars ($500,000) at CHNw's cost of funds at the time of the advance. Immediately following the end of the first year after the Commencement Date, the Management Oversight Committee shall determine (a) how and when the amount of any accrued cash shortfall in the first year shall be paid; (b) how any shortfall in distributable cash that may occur in respect of any distribution of profit during the remainder of the Term will be addressed; and (c) any other matters related to cash needs of the Program Facilities, Programs and/or parties.

7.08 Medicaid Audit Extrapolation Risk. To the extent that, during the Term, CHNw receives an overpayment demand from the State or an entity contracted by the State based on a Medicaid audit or other recoupment type action relating to Gallahue Mental Health Services that is derived from utilizing an extrapolation methodology across all behavioral health services provided by CHNw to calculate the total amount of overpayment, then the Program Expenses shall include an amount necessary to satisfy the portion of such overpayment that may be attributed to the operation of the Program Facilities and Programs hereunder based on the Medicaid services included therein, as a percentage of all of the behavioral health services provided by CHNw (including relating to the operation of the Program Facilities and the Programs hereunder). For example, if the State were to determine as the result of an audit that five percent (5%) of $10,000,000 in claims payments to Gallahue (*i.e.*, $500,000) needed to be

recouped, of which one percent (1%) of the five percent (5%) (or twenty percent (20%) of the total amount to be recouped) was an extrapolation from claims relating to the Programs and LCFS represented five percent (5%) of the total Gallahue claims payments (*i.e.*, $500,000) then LCFS would be responsible for $5,000 of the repayment (*i.e.*, $500,000 X 5% X 20%).

ARTICLE VIII
ACCOUNTING; FINANCIAL RECORDS; AUDITS; BUDGET

8.01 Accounting and Financial Records. Beginning on the Commencement Date and during the Term, CHNw 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 operation and financial results of the Program Facilities and the Programs, and shall prepare monthly, quarterly and annual financial reports as specified by the Management Oversight Committee in accordance with the requirements of Exhibit B attached hereto. Such records shall be kept in accordance with GAAP. LCFS shall be responsible for submitting all information and data regarding any Program Expenses incurred by LCFS on a timely basis so that CHNw can timely perform its obligations under and prepare reports to the Management Oversight Committee pursuant to this Agreement, including allocating profits and losses pursuant to Section 7.06.

8.02 Access; Audit. Beginning on the Commencement Date and during the Term, each of LCFS and CHNw agrees that it will permit the other party and the other party's independent accountants, on reasonable notice and during normal business hours, to examine such party's business and financial records relating to the performance by such party of its obligations under this Agreement, including the occurrence by such party of any Program Expenses, in connection with an annual financial audit of such party. Any such examination by LCFS or CHNw or its respective independent accountants shall be conducted at the other party's principal offices unless otherwise agreed by such other party. Any and all costs and expenses associated with such examination shall be borne by the party requesting or requiring such examination.

8.03 Annual Budget. Subject to this Section 8.03, CHNw shall, no later than thirty (30) days before the end of each Fiscal Year during the Term, deliver to the Management Oversight Committee for approval: (a) a draft annual operating budget for the next Fiscal Year for the Program Facilities and the Programs (each, an "Annual Budget"); and (b) an estimate of Program Revenues and Program Expenses for each calendar quarter during the next Fiscal Year; provided, however, that the parties agree that the Annual Budget for the first fiscal year beginning January 1, 2013 shall be as set forth in Exhibit C.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND GENERAL COVENANTS OF LCFS AND CHNW

9.01 Representations and Warranties of LCFS and CHNw. To induce the other to execute and perform its respective obligations under this Agreement, each of LCFS and CHNw represents and warrants to the other that:

(a) it is: (i) duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization; (ii) duly qualified to do business and in good standing in each other jurisdiction where the conduct of its business requires such qualification, except where the failure to be so qualified would not have a material adverse effect on its respective business or operations; (iii) in compliance with all laws, rules and regulations applicable to it, and all material contracts to which it is a party, except, in either case, to the extent that any non-compliance, individual or in the aggregate, would not have a material adverse effect on its respective business or operations; and (iv) has: (A) the requisite power and authority and the legal right to execute, deliver and perform its respective obligations under this Agreement, and to conduct its business as now, heretofore or proposed to be conducted; and (B) all licenses, permits, franchises, rights, powers, consents or approvals from or by all third parties or Governmental Authorities having jurisdiction over it which are necessary or appropriate for the conduct of its respective business;

(b) the execution, delivery and performance by it of its obligations under this Agreement: (i) are and will continue to be within its respective power and authority; (ii) have been and will continue to be duly authorized by all necessary or proper action; (iii) are not and will not be in violation of any law, rule or regulation applicable to it or any material contract to which it is a party; (iv) do not and will not result in the creation or imposition of any lien or encumbrance against any of its respective assets or properties (real or personal); and (v) do not and will not require the consent or approval of any Governmental Authority or any third party; and

(c) this Agreement has been duly executed and delivered on behalf such party, and constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

9.02 Confidentiality; Trade Secrets.

(a) The parties agree that the terms and conditions of this Agreement shall remain confidential unless otherwise required by applicable law to be disclosed. The parties shall not distribute this Agreement or any part thereof or reveal any of the terms of this Agreement to any Person, other than to their employees or agents or to any Affiliate. The parties acknowledge and agree, however, that this Agreement may need to be disclosed to the Internal Revenue Service in order to obtain or maintain tax-exempt status or otherwise. The parties also acknowledge that it may be desirable to disclose this Agreement for other legitimate business purposes. In the event a party wishes to disclose all or part of this Agreement to a third party,

including the Internal Revenue Service, the party seeking disclosure will serve written notice of intent to disclose on the other party. Such disclosure shall not relieve the disclosing party of its obligations under this Section 9.02.

(b) The parties understand and agree that each party to this Agreement, and its counsel, accountants and other representatives, will, at certain times, have access to trade secret information and the parties agree to conform their conduct, and that of their counsel, accountants and other representatives, to the requirements of the Indiana Trade Secrets Act (Indiana Code § 24-2-3) ("ITSA") . No party will misappropriate (*e.g.*, use or disclose to any third party) any trade secret of another party as defined in ITSA. The parties recognize that the penalties for a trade secret violation can include disgorgement of profits, payment of royalties, compensatory damages, punitive damages and attorneys' fees. Each party understands that it may ask the other party to this Agreement to render an opinion as to whether such party considers certain knowledge to be a trade secret, if such a question should arise. Each party understands that upon termination of this Agreement for any reason, it will continue to be prohibited at any time from misappropriating any trade secret of another party.

(c) Each party agrees that, during the Term and thereafter, no party will use, disclose, cause to be disclosed or otherwise allow to be disclosed, any Confidential Information or other proprietary information of the other party that, while not a "trade secret" under the Indiana Trade Secrets Act, possesses independent economic value to such party from not being generally known by others who can obtain economic value from its disclosure or use. Each party understands that it may ask the other party to this Agreement to render an opinion as to whether such party considers certain knowledge to be Confidential Information or other proprietary information, if such a question should arise.

(d) Upon termination of this Agreement for any reason, each party agrees to return all Confidential Information and other proprietary and trade secret information and property of the other party received in connection with the transactions and undertakings contemplated by this Agreement, including but not limited to all books, records, contracts, documents, insurance policies and other information, and any other proprietary data or objects acquired through the provisions of this Agreement; provided, however, that one copy of any documents containing Confidential Information or other proprietary or trade secret information may be retained in the files of the receiving party's outside counsel as long as such files are restricted from access by the receiving party and its representatives (other than the outside counsel); and, provided, further, that the receiving party may have access to those documents in the case of any dispute between or among the parties regarding the enforcement of any alleged agreement between or among the parties. Notwithstanding the return by the receiving party of any documents containing Confidential Information or other proprietary and trade secret information, the receiving party will continue to be bound by its obligations of confidentiality and other obligations under this Agreement.

(e) For purposes of this Agreement, the term "Confidential Information" or any reference to any other proprietary or trade secret information of either party will not include information: (i) that is or becomes available to the public other than as a result of wrongful act or omission by the party to this Agreement to which it was disclosed; (ii) that is independently developed by the party to this Agreement to which it was disclosed; (iii) that was known by the

party to this Agreement to which it was disclosed prior to the disclosure of it to that party; and (iv) that was disclosed to a party to this Agreement by a Person or entity (other than a party to this Agreement or any of its agents) that was not known by the party to which it was disclosed to be bound by a confidentiality agreement with, or other obligation of secrecy to, the other party to this Agreement with respect to the information that was disclosed; or (v) that is required to be disclosed by law or legal proceeding; provided however, that any information that otherwise would constitute Confidential Information will not be deemed Confidential Information as between the parties to this Agreement to the extent that the information results from joint or collaborative efforts or involvement of employees of more than one party to this Agreement, in which case the information will be deemed to be the mutual property of the parties to this Agreement.

(f) Notwithstanding anything to the contrary in this Agreement, any Confidential Information which constitutes "protected health information" as defined in HIPAA shall be maintained by the parties in accordance with the provisions of HIPAA, and, to the extent there is a conflict between such provisions and the terms of this Agreement governing Confidential Information with respect to protected health information, the provisions of HIPAA shall control with respect to such protected health information.

9.03 Conduct of Operations. During the period between (and including) the Execution Date and the Commencement Date: (a) without the prior written consent of the other party, neither party will take any action that would cause any of its representations or warranties in this Agreement not to be true and correct as of the Commencement Date; (b) LCFS shall: (i) operate the Program Facilities and the Lutherwood Programs in the ordinary course in a manner consistent with past practice and policies and in compliance with all applicable Requirements of Law; and (ii) use reasonable, good faith efforts to preserve intact the Program Facilities and the Lutherwood Programs, and all licenses, permits, accreditations, contracts and grants of LCFS pertaining thereto; (iii) use commercially reasonable, good faith efforts to maintain the Program Facilities in their current condition, ordinary wear and tear excepted; and (c) CHNw shall: (i) operate the CHNw Programs in the ordinary course in a manner consistent with past practice and policies and in compliance with all applicable Requirements of Law; and (ii) use reasonable, good faith efforts to preserve intact the CHNw Programs, and all licenses, permits, accreditations, contracts and grants of LCFS pertaining thereto.

9.04 Covenant Not to Compete. During the Term and for a period of two (2) years after the expiration or termination of this Agreement for any reason except in the event of termination of the Agreement by CHNw following an event described in Section 10.02(f) (in which case the provisions of this Section 9.04 shall not apply), CHNw agrees that it shall not provide secure youth residential services (the "Competing Services") within the Non-Compete Area (as defined below); provided, however, that it shall not constitute a violation of this Section 9.04 if CHNw affiliates with another provider that offers Competing Services, including in the Non-Compete Area, so long as CHNw does not manage such Competing Services. Notwithstanding anything in this Agreement to the contrary, this Section 9.04 shall not apply to nor prohibit CHNw from providing any services or owning, managing or operating any facilities or programs that are provided, owned, managed or operated by CHNw, directly or indirectly, on the Commencement Date. For the purposes hereof, the term "Non-Compete Area" means the

geographic area including the following counties in Indiana: Marion, Boone, Hamilton, Hancock, Johnson, Shelby, Morgan, and Hendricks.

9.05 New Programs. From time to time during the Term: (a) LCFS may seek to develop new programs and/or services to be operated out of Program Facilities beyond the Lutherwood Programs; and (b) CHNw may seek to develop new youth residential programs outside the Non-Compete Area (each a "New Program"). Each of LCFS and CHNw agrees that, before it independently pursues any idea for a New Program, it shall present such idea to the other party, and the parties shall mutually discuss and have a right of first refusal to pursue such New Program jointly under the auspices of this Agreement or pursuant to a separate written agreement between them. If the parties cannot agree to jointly pursue any New Program within sixty (60) days of the presentation of such proposed New Program by either party to the other, then the party originating the idea for the New Program shall be entitled to pursue such New Program without the involvement of the other party and independent of either party's obligations and commitments under this Agreement.

9.06 Insurance. During the Term, each of LFCS, on the one hand, and CHNw, on the other hand, agrees to maintain in full force and effect policies of commercial general liability insurance, professional liability insurance and/or workers' compensation insurance, in each case having substantially the same limits as shall be in place immediately prior to the Commencement Date and otherwise having deductibles and co-insurance amounts as are reasonable under the circumstances, provided, however, workers' compensation insurance limits for LCFS shall be adjusted to reflect the employees employed after the Commencement Date.

ARTICLE X
TERM; TERMINATION OF AGREEMENT

10.01 Term. This Agreement shall become effective on the Execution Date and, unless earlier terminated in accordance with Section 10.02, shall continue for a period of five (5) years after the Commencement Date (the "Initial Term"); provided, however, that beginning on the date that is eighteen (18) months prior to the expiration of the Initial Term, either party shall be entitled to provide written notice to the other party of its desire to extend the Initial Term of this Agreement on the same terms and conditions set forth herein for an additional term of five (5) years (such additional term, together with the Initial Term, the "Term"), which extension shall automatically become effective if the other party agrees in writing to such extension request prior to the date that is at least three hundred sixty-five days (365) prior to the expiration of the Initial Term.

10.02 Termination of Agreement. In addition to any termination provisions set forth in other Articles of this Agreement:

(a) this Agreement shall automatically terminate: (i) at the end of the Term; or (ii) on the occurrence of an event described in Section 5.02(a);

(b) either party may terminate this Agreement without cause by giving the other party at least three hundred sixty-five (365) days' prior written notice of such party's intent to terminate this Agreement pursuant to this Section 10.02(b); provided, however, that neither

party may exercise its right to terminate this Agreement pursuant to this Section 10.02(b) until after the third (3rd) anniversary of the Commencement Date;

(c) either party may terminate this Agreement without cause: (i) in the event of a Change in Law that occurs after the Execution Date that: (A) has the effect of causing projected material annual losses from operating the Programs or material capital expenditures by a party or for the Programs taking into account amortization of such capital expenditures directly related to achieving compliance with such Change in Law for the sole purpose of operating the Programs under this Agreement; or (B) adversely impacts the legality of this Agreement; and in any event if the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement to accommodate or mitigate such Change in Law within a period of sixty (60) days; or (ii) as provided in Section 15.03(b);

(d) either party may terminate this Agreement without cause in the event there are material changes related to the Programs outside the control of one or both of the parties that are not the result of a Change in Law but that would result in projected material annual losses from operating the Programs and if the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement to accommodate or mitigate such change to the Programs within a period of sixty (60) days;

(e) the non-breaching party may terminate this Agreement for cause on written notice to the other party if: (i) there is a material breach by CHNw of its obligations under Section 2.04(b)(iv), or (ii) there is a material breach by LCFS of its obligations under Section 3.01(d)(i) and (ii), and such breach is not cured by the breaching party within forty-five (45) days following written notice to the breaching party; provided, however, that if such breach is of the type that is not susceptible to cure within a forty-five (45) day period, and the breaching party has taken affirmative action to pursue a cure within such forty-five (45) day period, then the breaching party shall have an additional period of thirty (30) days to complete cure such breach.

(f) CHNw may terminate this Agreement for cause on written notice to LCFS: (i) upon the removal for any reason of either or both of the CHNw Appointed Board Members from LCFS Board of Directors, including via a reduction in seats on the LCFS Board of Directors if such removal is not cured by LCFS within ten (10) days following notice from CHNw; or (ii) upon the occurrence of any default by the Foundation under the Lease which default continues beyond any applicable grace or cure period and materially and adversely affects the parties' obligations under this Agreement;

(g) either party may terminate this Agreement for cause, immediately and without notice to the other party if: (i) the other party files a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or admits that it is unable to pay its debts as they become due; (ii) the other party consents to an involuntary petition in bankruptcy or fails to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition; or (iii) any court of competent jurisdiction enters an order, judgment or decree adjudicating the other party as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of a substantial part of such

party's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive);

(h) either party may terminate this Agreement for cause on written notice to the other party on the occurrence of a Change of Control of such other party in which such other party is not the surviving Person and the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement as a consequence of such Change of Control within a period of sixty (60) days;

(i) the non-breaching party may terminate this Agreement for cause on written notice to the other party if the other party is in material breach of this Agreement other than as set forth in Sections 10.02 (e), (f), (g) or (h) above and such breach is not cured by the breaching party within forty-five (45) days following written notice to the breaching party; provided, however, that if such breach is of the type that is not susceptible to cure within a forty-five (45) day period, and the breaching party has taken affirmative action to pursue a cure within such forty-five (45) day period, then the breaching party shall have an additional period of thirty (30) days to complete cure such breach.

10.03 Transition upon Expiration or Termination of the Agreement. Unless this Agreement is or shall have been terminated: (x) by either party pursuant to Section 10.02(a)(ii), or (y) by CHNw pursuant to Section 10.02(e)(ii), Section 10.02(f)(ii), Section 10.02(g), or Section 10.02(i), in which case the provisions of this Section 10.03 shall not apply, then LCFS shall have a period of sixty (60) days prior to the expiration or the effective date of any earlier termination of this Agreement (the "Termination Date") to provide written notice to CHNw of LCFS' intention to take back the operation of the Lutherwood Programs hereunder pursuant to the wind-down process set forth in this Section 10.03. In the event notice is timely given, then the parties agree that the following provisions shall apply on or after the Termination Date:

(a) LCFS shall have the option to employ all or any portion of the personnel then providing services in connection with the Programs;

(b) LCFS shall have the option to purchase or finance at fair market value all or any portion of the hard assets owned by CHNw and then used in connection with the operation of the Lutherwood Programs, except the hard assets in the name of CHNw that are used for the Programs, located at the Facilities and have been included in the Program Expenses during the Term shall be transferred to LCFS at fifty percent (50%) of fair market value;

(c) to the extent any permit, license, accreditation, contract or approvals ("Rights to Operate") required in connection with the Lutherwood Programs is then held or was issued in the name of CHNw, then LCFS and CHNw shall use their best efforts to transfer the Rights to Operate to LCFS or to obtain new Rights to Operate in the name of LCFS as promptly as possible and in any event within one hundred eighty (180) days; provided, however, that until LCFS is able to transfer or obtain new Rights to Operate, then it shall have the right, to the extent permissible under applicable Requirements of Law, to operate under the Rights to Operate in CHNw's name;

(d) LCFS and CHNw shall discuss which of them (or whether both of them) will continue to provide community-based services and on what terms, and shall negotiate and execute any and all such agreements or instruments that are necessary to reflect their agreements in this area within sixty (60) days after the Termination Date;

(e) CHNw shall permit LCFS to continue to access CHNw's electronic medical records for a reasonable period for treatment purposes via remote read-only access;

(f) LCFS and CHNw shall as appropriate either terminate or use their best efforts to modify the Lease and any other lease(s) relating to the Program Facilities to recognize the transition of operations described herein;

(g) CHNw shall permit LCFS to access and copy records related to Program Clients not included under subsection (e) above and the copying costs shall be shared by the parties; and

(h) CHNw shall continue to comply fully with the provisions of Section 2.04(v).

To the extent that LCFS is entitled to and has sent written notice on a timely basis to CHNw of LCFS' intent to take back the operation of the Lutherwood Programs hereunder, and the Agreement: (i)(A) is scheduled to expire pursuant to Section 10.02(a)(i); (B) is being terminated by either party pursuant to Section 10.02(b), Section 10.02(c)(ii) or 10.02(h); or (C) is being terminated by LCFS pursuant to Section 10.02(e)(i), Section 10.02(g) or Section 10.02(i), then, taking into account the provisions of (a) to (h) above, the parties shall negotiate in good faith an extension of the Term of this Agreement for a reasonable period (not to exceed one hundred eighty (180) days) on substantially the terms set forth herein to facilitate the continued operation of the Programs hereunder on the terms of this Agreement during the period of transition of the Lutherwood Programs back to LCFS. In addition, prior to or upon expiration or sooner termination of the extension of the Term, LCFS and CHNw shall negotiate in good faith a separate management services agreement and/or transition services agreement (and any other agreements or instruments reasonably related thereto) pursuant to which, for a period to be mutually agreed upon by the parties (but which is not expected to exceed one (1) year), CHNw will provide certain services, including without limitation CHNw Programs and CHNw Support Services, to LCFS on terms and conditions to be agreed upon by the parties.

To the extent that LCFS is entitled to and has sent written notice on a timely basis to CHNw of LCFS' intent to take back the operations of the Lutherwood Programs and this Agreement is otherwise proposed to be terminated by either party under any provision of this Agreement not specifically listed above in the preceding grammatical paragraph (including but not limited to any termination under Section 10.02(c)(i) or 10.02(d)), then, subject to the provisions of (a) to (h) above, the parties agree that this Agreement shall be allowed to terminate in accordance with its terms, and that LCFS and CHNw shall negotiate in good faith a separate management services agreement and/or transition services agreement (and any other agreements or instruments reasonably related thereto) pursuant to which, beginning on the Termination Date and for a period to be mutually agreed by the parties (but which is not expected to exceed one (1) year), CHNw will provide certain services including without limitation CHNw Programs and

CHNw Support Services to LCFS on terms and conditions to be agreed upon by the parties.

ARTICLE XI
INDEMNIFICATION; LIMITATIONS OF LIABILITY; RECOURSE

11.01 Indemnities.

(a) By CHNw. CHNw will defend, indemnify and hold the LCFS Indemnitees harmless from and against any and all Liabilities that are asserted against, or sustained or incurred by, the LCFS Indemnitees as a result of, or in connection with, any breach of or default under this Agreement by CHNw or CHNw's gross negligence, fraud or willful misconduct in the performance of its obligations under this Agreement, except to the extent that such Liabilities are directly attributable to LCFS' gross negligence, fraud, or willful misconduct in the performance of LCFS' duties under this Agreement.

(b) By LCFS. LCFS will defend, indemnify and hold the CHNw Indemnitees harmless from and against any and all Liabilities that are asserted against, or sustained or incurred by, the CHNw Indemnitees as a result of, or in connection with, any breach of or default under this Agreement by LCFS or LCFS' gross negligence, fraud or willful misconduct in the performance of its obligations under this Agreement, except to the extent that such Liabilities are directly attributable to CHNw's gross negligence, fraud, or willful misconduct in the performance of CHNw 's duties under this Agreement.

(c) Insurance Proceeds. Recovery upon any indemnity provided in this Section 11.01 shall be reduced dollar-for-dollar by any applicable insurance collected by the indemnified party with respect to the claims covered by such indemnity.

(d) Survival of Indemnities. The indemnities contained in this Section 10.01 shall survive for a period of one (1) year after the termination of this Agreement.

11.02 No Liability for Special Damages. Neither LCFS nor CHNw shall have any liability for, and each party agrees that it shall not be entitled to recover, and agrees not to seek from the other party and otherwise to waive any claim in respect of, any incidental, consequential, punitive or any other special damages.

11.03 Non-Recourse. To the maximum extent permitted by applicable law, no member, partner, shareholder, officer, director, employee or agent of any party to this Agreement shall have any personal liability with respect to the liabilities or obligations of such party under this Agreement or any document executed by such party pursuant to this Agreement.

ARTICLE XII
REGULATORY AND CONTRACTUAL REQUIREMENTS

12.01 Certain Deficiencies and Non-Compliance. The parties understand and agree that certain deficiencies or situations of non-compliance with various Requirements of Law (including but not limited to building codes, OSHA, ADA, health care regulations and the like) are likely to occur from time to time in the normal course of business operations, and that the occurrence of such deficiencies or situations shall not constitute a breach by either party of its

obligations under this Agreement, provided that: (a) they are not materially beyond the general experience of similar facility operations located in the State of Indiana in terms of scope, seriousness, or frequency; and (b) the proper party takes all reasonable actions in a timely manner to cure such deficiencies or non-compliance.

12.02 Equal Employment Opportunity. Without limitation of any provision set forth herein, LCFS and CHNw expressly agree to abide by any and all applicable Federal and/or state equal employment opportunity statutes, rules and regulations, including, without limitation, Title II of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the National Labor Relations Act, the Fair Labor Standard Act, the Rehabilitation Act of 1983, and the Occupational Safety and Health Act of 1970, all as may be from time to time modified or amended.

12.03 Equal Housing Opportunity. Without limitation of any provision set forth herein, LCFS and CHNw expressly agree to abide by any and all applicable Federal and/or state equal housing opportunity statutes, rules and regulations, all as may be from time to time modified or amended.

ARTICLE XIII
INTELLECTUAL PROPERTY

13.01 Business and Trade Names. During the Term, the Program Facilities and Programs shall be operated and managed under the same business and/or trade names that they were operated under prior to the Execution Date unless otherwise agreed to by the parties.

13.02 Ownership of Intellectual Property. Notwithstanding anything in this Agreement to the contrary, each of LCFS and CHNw shall own and continue to have exclusive rights to all Intellectual Property owned or licensed by it, and except as otherwise expressly set forth in this Agreement, nothing in this Agreement shall confer on either party the right to use any Intellectual Property of the other party.

13.03 Limited Non-Exclusive License. Each of LCFS and CHNw hereby grants to the other party a limited right and license to use the trademarks or tradenames and other Intellectual Property of such party solely in connection with and to facilitate licensee's performance of its obligations under this Agreement and for no other purpose (the "License"). The License shall immediately terminate upon the expiration or termination of this Agreement for any reason and each party that is a licensee shall immediately cease any use of the licensor's trademarks, tradenames or other Intellectual Property under the License; provided, however, that the parties may agree to extend the License or enter into a substantially similar license pursuant to Section 10.03.

13.04 Breach of Covenant. Any party that is a licensor under the License shall be entitled, in the event of any breach by the other party of any covenants under this Article XIII or by others claiming through it, to injunctive relief and to any other right or remedy available at law or in equity. Except as otherwise expressly provided in Section 13.03, the provisions of this Article XIII shall survive the expiration or termination of this Agreement for any reason.

ARTICLE XIV
DISPUTE RESOLUTION

The Parties shall adhere to the following processes with respect to dispute resolution:

14.01 Informal Negotiation. Prior to seeking any judicially imposed remedy for any breach of this Agreement, the parties will first attempt in good faith to resolve any and all disputes, claims or controversies arising out of or relating to this Agreement (a "Dispute") within the Management Oversight Committee. If the Management Oversight Committee is unable to resolve such Dispute within a reasonable period, or if the Management Oversight Committee has reached Deadlock with respect to any matter before the Management Oversight Committee, then the matter shall be referred to CHNw's Chief Operations Executive, or his or her designee, and LCFS' Board President, or the LCFS Board President's designee if the President is a member of the Management Oversight Committee, for negotiation (each, a "Designated Representative"). The Designated Representatives shall negotiate in good faith for a period of up to thirty (30) days to attempt to resolve the Dispute or Deadlock.

14.02 Mediation. In the event the parties are unable to resolve any Dispute or Deadlock via direct negotiations pursuant to Section 14.01, then any party shall be entitled to initiate non-binding mediation of the controversy or claim in accordance with the Rules of Procedure for Mediation (the "Mediation Rules") of the American Health Lawyers Association's Alternative Dispute Resolution Service (the "AHLA Dispute Resolution Service"); provided, however, that the initiation of mediation pursuant to this Section 14.02 shall occur within thirty (30) days after the expiration of the last thirty (30) day period referenced in Section 14.01; provided, further, that in no event will the party desiring to initiate non-binding mediation be required to first initiate legal proceedings. A single mediator engaged in the practice of law, who is knowledgeable about healthcare law, will conduct the mediation under the then current Mediation Rules. The mediation will be held in Indianapolis, Indiana.

14.03 Arbitration. In the event that any Dispute or Deadlock shall have occurred and remain unsettled through application of the dispute resolution processes described in Sections 14.01 and 14.02, then either party shall be entitled to request that such Dispute or Deadlock be settled by binding arbitration before a panel of three (3) arbitrators selected as follows. Each party shall appoint an arbitrator who is experienced in healthcare law and the two arbitrators shall select a third arbitrator with similar experience (the "Arbitration Panel"). The Arbitration Panel shall sit in Indianapolis, Indiana, the arbitration shall be conducted in accordance with the Rules of Procedure for Arbitration (the "Arbitration Rules") of the AHLA Dispute Resolution Service and judgment on the award may be entered in any court having jurisdiction thereof or over the applicable Party or its assets. The decision of the Arbitration Panel shall be made in a written opinion setting forth the facts found by the Arbitration Panel and discussing the legal basis and other reasons on which the decision is based. The fees of the arbitrator appointed by the parties shall be paid by the party appointing the arbitrator and the fees of the third arbitrator and the costs of the arbitration shall be shared equally by the parties, unless the Arbitration Panel determines that compelling reasons exist for allocating all or a portion of such fees to the other party. Each party shall be responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the Arbitration Panel determines that compelling reasons exist for allocating all or a portion of such costs and expenses to the other party.

ARTICLE XV
MISCELLANEOUS

15.01 Cooperation. Each of LCFS and CHNw agrees to cooperate with each other in the performance of this Agreement and the transactions contemplated herein and shall use commercially reasonable business efforts to take all actions to consummate the transactions contemplated in this Agreement. Should any claim, demand, suit or other legal proceeding be made or instituted by either party which arises out of any of the matters relating to this Agreement, each party shall give the other all non-privileged and pertinent information possessed by or under the control of such party and reasonable assistance in the defense or other disposition thereof. In addition, in each instance where a party's performance of its obligations under this Agreement is dependent on receiving the cooperation of the other party, the other party shall promptly cooperate and provide the requested assistance.

15.02 Further Assurances. The provisions of this Agreement 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 either party, the party requested shall execute such additional instruments and take such additional acts as the requesting party may deem necessary to effectuate this Agreement.

15.03 Force Majeure.

(a) Subject to Section 15.03(b), neither party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent: (i) the default or delay is caused, directly or indirectly, by a Force Majeure event; (ii) the non-performing party is without fault; and (iii) the default or delay could not have been prevented by reasonable precautions. In such event, the non-performing party is excused from further performance for as long as such circumstances prevail and the party continues to use its best efforts to recommence performance. Any party so delayed shall notify the party to whom performance is due and describe the circumstances causing the delay.

(b) If a Force Majeure event substantially prevents or delays either party's performance under this Agreement (in whole or in part) for more than ninety (90) consecutive days resulting in material adverse effects on operating the Programs under this Agreement, then either party, at its option, may terminate the Agreement as of a date specified by such party in a notice to the other party without incurring any liability of any kind; provided, however, the parties, negotiating in good faith, are unable to renegotiate the terms of the Agreement to accommodate the adverse effects of the Force Majeure by the end of the same ninety (90) consecutive day period set forth above.

15.04 Notices. Any and all notices, including any demands, consents, approvals, offers, elections and other communications required or permitted under this Agreement shall be deemed adequately given if in writing, addressed to the recipient of the notice at the addresses set forth below (or to such other addresses as the parties may specify by due notice to the others parties) and if delivered either (a) in hand, in which case it will be deemed delivered on the date of delivery or on the date delivery was refused by the addressee, (b) by United States mail, postage prepaid, registered or certified, with return receipt requested, in which case it will be deemed

delivered on the date of delivery as established by the return receipt (or the date on which the return receipt confirms that acceptance of delivery was refused by the addressee), (c) by Federal Express or similar expedited commercial carrier, with all freight charges prepaid, in which case it will be deemed delivered on the date of delivery as established by the courier service confirmation (or the date on which the courier service confirms that acceptance of delivery was refused by the addressee), or (d) by facsimile transmission with a hard copy to follow by any of the other methods above, in which case it will be deemed delivered on the day and at the time indicated in the sender's automatic acknowledgment. If a notice is sent to a party, then copies of such notice under this Section shall also be sent by the same delivery method to the copy recipients. Whenever under this Agreement a notice is required to be delivered on a day which is not a Business Day or is required to be delivered on or before a specific day which is not a Business Day, the day of required delivery shall automatically be extended to the next Business Day. All such notices shall be addressed as follows:

LCFS: Lutheran Child and Family Services of Indiana/Kentucky, Inc.
1525 North Ritter Avenue
Indianapolis, IN 46219
Attention: Chief Executive Officer
Telephone: 317-359-5467

Copy to: Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
Attention: Robert P. Kassing
Telephone: 317-684-5147

CHNw: Community Health Network, Inc. d/b/a Gallahue Mental Health Services
7330 Shadeland Station
Indianapolis, IN 46256
Attention: Chief Operations Executive
Telephone: 317-355-5930

Copy to: Epstein Becker & Green, P.C.
1227 25th Street, NW
Suite 700
Washington, DC 20037
Attention: Katherine R. Lofft, Esq.
Telephone: 202-861-0900

Notices, demands, requests, consents, approvals, offers, elections and other communications given by an attorney named above on behalf of its client and sent to the other party to this Agreement in the manner set forth in this Section shall have the same effect as if given by a party to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood that notices to each party's outside counsel shall be given as a courtesy only and failure to provide such notice shall not in any way affect or diminish the validity of the notice given to any party under this Agreement. By notice given as provided in

this Section, the parties to this Agreement and their respective successors and assigns shall have the right from time to time to change their respective addresses effective five (5) Business Days after the date of receipt by the other parties of such notice and each party shall have the right to specify as its address any other address within the United States of America.

15.05 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held to be invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

15.06 Gender and Number. Whenever the context of this Agreement 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.

15.07 Division and Headings. The divisions of this Agreement 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 Agreement.

15.08 Entire Agreement; Amendment. This Agreement supersedes all prior drafts and discussions relating to this Agreement. This Agreement constitutes a single unified agreement and shall be construed and interpreted in light of all such other agreements between the parties. All prior representations or agreements not expressly incorporated herein, whether written or verbal, are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by both parties hereto. Subject to Section 6.04(c), any amendment, modification, revision or supplement to this Agreement shall be effective only if in writing and signed by an authorized representative of each of LCFS and CHNw.

15.09 Assignment. Neither party shall have the right to assign its rights or delegate all of its responsibilities under this Agreement, including by operation of law, without the prior written consent of the other party, which may be granted or withheld in such other party's sole discretion; provided, however, that either party may delegate any of its specific obligations under this Agreement to a subcontractor to the extent expressly permitted by this Agreement, without the prior written consent of the other party.

15.10 Relationship Between the Parties. The relationship between LCFS and CHNw pursuant to this Agreement shall not be one of general agency, but shall be that of LCFS with CHNw being an independent contractor; provided, however, that CHNw shall have the authority to bind LCFS with respect to third parties to the extent CHNw is performing the obligations CHNw is expressly authorized to perform under this Agreement; provided further,, such authority to bind LCFS shall exclude matters arising out of or relating to LCFS' requirements under Section 3.01. Neither this Agreement nor any agreements, instruments, documents or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making LCFS a partner or joint venturer with CHNw or as creating any similar relationship or

entity, and each party agrees that it will not make any contrary assertion, contention, claim or counterclaim in any action, suit or other legal proceeding involving the other.

15.11 Counterparts. This Agreement may be executed counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

15.12 Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of Indiana without regard to any conflict or choice of law principles that would result in the application of the laws of another jurisdiction.

[*Remainder of page intentionally left blank;*
Signatures appear on next page]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized representative to execute this Management Services Agreement as of the Execution Date set forth above.

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

By: Lewis D Beckwith
Name: Lewis D. Beckwith
Title: President

COMMUNITY HEALTH NETWORK, INC. D/B/A GALLAHUE MENTAL HEALTH SERVICES

By:
Name: Michael Blankenship
Title: Chief Operating Officer

[Signature Page to Management Services Agreement]

SCHEDULE 1

DEFINITIONS

"Affiliate" means a Person, which controls, is controlled by, or is under common control with another Person. For purposes of this definition, the term "control" (and the related terms "controlled" and "controlling") means the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interest, by contract or otherwise. A Person shall not be deemed to be under common "control" with another Person solely based on the fact that one or more Person(s) serve as a director of both Persons.

"Agreement" means this Management Services Agreement and any amendments thereto as may be from time to time agreed to in writing by the parties.

"Annual Budget" has the meaning set forth in Section 8.03.

"AHLA Dispute Resolution Service" has the meaning set forth in Section 14.02.

"Arbitration Panel" has the meaning set forth in Section 14.03.

"Arbitration Rules" has the meaning set forth in Section 14.03.

"Business Day" means any day other than Saturday, Sunday or any other day on which banks or savings and loan associations in the State of Indiana are not open for business.

"Capital Call" has the meaning set forth in Section 6.07.

"Change in Law" means any: (a) applicable federal or state law or regulation enacted after the Execution Date; (b) change in any existing applicable federal or state law or regulation; (c) change in judicial or administrative interpretation of any applicable federal or state law or regulation; or (d) change in the enforcement of any applicable federal or state law or regulation, in each case occurring after the Execution Date.

"Change of Control" means, with respect to any Person the occurrence of any one or more of the following: (a) the consummation of one or a series of related transactions or events in which the Board of Directors of any Person loses the ability to elect or appoint the majority of such Board of Directors; or (b) the consummation of a reorganization, merger, consolidation or sale or disposition of all or substantially all of the assets and properties of such Person.

"Chief Operations Officer" has the meaning set forth in Section 6.05.

"CHNw Appointed Board Members" has the meaning set forth in Section 2.05.

"CHNw Committee Representatives" has the meaning set forth in Section 6.01(a).

"CHNw Indemnitees" means CHNw and its Affiliates and their respective members, trustees, directors, officers, agents and employees, and any of their respective successors or assigns, or any of them individually.

"CHNw Programs" has the meaning set forth in the Recitals of this Agreement

"CHNw Support Services" has the meaning set forth in Section 2.04(b)(ii).

"CMHC" has the meaning set forth in Section 2.04(b)(iv).

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986 as amended from time to time, and any successor legislation thereto.

"Commencement Date" means January 7, 2013 or such other date as may be agreed upon by LCFS and CHNw; provided, however, that on and as of such date: (a) all of the representations and warranties of LCFS and CHNw set forth in Article IX are true and correct with respect to such entity, respectively, as if made on such date; (b) the parties are and shall have been in compliance with the covenants set forth in Section 9.03 since the Execution Date; (c) there is no claim, demand, suit or other legal proceeding (including any order or injunction) that would prevent consummation of the transactions described in this Agreement as of such date; and (d) any and all governmental and third party consents and approvals required to consummate the transactions described in this Agreement as of such date shall have been received. The proviso shall be deemed satisfied for purposes of establishing the Commencement Date if each party shall deliver to the other a certificate dated as of January 7, 2013 which confirms that clauses (a) through (d) above have been satisfied with respect to such party. Each party shall deliver such a certificate if it can do so in good faith.

"Competing Services" has the meaning set forth in Section 9.04.

"DCS" has the meaning set forth in Section 4.04.

"Deadlock" has the meaning set forth in Section 6.03.

"Dispute" has the meaning set forth in Section 14.01.

"Execution Date" has the meaning set forth in the Preamble of this Agreement.

"Excluded Program" means the Spiritual Growth program which currently includes activities conducted and sponsored by LCFS' Spiritual Advisory Committee ("SAC"). These services are usually referred to as the SEED program (Spiritual Engagement and Educational Development). The services of the SEED program currently include clients' spiritual assessments, which are placed in the client clinical data base; devotions which are emailed to staff; spiritual counseling of clients and, when requested of staff, praying with clients and staff; chapel services for clients and their families and staff led by community Lutheran pastors; sending services for successfully discharged clients and for staff as requested; blessing services for clients and staff; spiritual education, including Bible studies led by chaplains and/or volunteers or staff; attendance at administrative meetings and clinical meetings to provide spiritual perspectives; addressing new employees on the culture of spiritual care at LCFS; visits

by church groups, pastors, and individual volunteers to clients for special activities such as Sunday night youth groups or for spiritual mentoring; hosting meetings of community church groups, such as congregations, pastors, teachers, and youth leaders; and provision of information to churches and the larger community in regard to SEED.

"Facility" has the meaning set forth in the Recitals to this Agreement.

"Fair Market Value" has the meaning set forth in Section 9.07.

"Fiscal Year" means the calendar year.

"Force Majeure" means any one or more of the following events outside the reasonable control of a party: (a) Acts of God; (b) strike, lockouts, actions of labor unions or other labor trouble; (c) sabotage; (d) fire or casualty; (e) order or regulation of or by any Governmental Authority (other than orders or regulations of a Governmental Authority resulting from the obligated party's non-compliance with typical and ordinary health, licensing and construction laws, rules or regulations); (f) acts or omissions of any Governmental Authority (including delays in obtaining any required licenses, permits or approvals, provided such permits were timely and accurately submitted to the applicable Governmental Authority); (g) war (declared or undeclared), acts of terrorism, riot, acts of the public enemy or other civil commotion; (h) rebellions, riots, insurrections or sabotage; and (i) shortage of labor, materials or supplies; provided, however, that a lack of financial resources or a failure to comply with applicable Requirements of Law shall never be excused.

"Foundation" has the meaning set forth in the Recitals.

"GAAP" means U.S. generally accepted accounting principles as applied by CHNw.

"Governmental Authority" means any federal, state, county or municipal government, or political subdivision thereof, any governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court or administrative tribunal.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as the same may be amended from time to time, together with any successor statute thereto and all of the rules and regulations promulgated from time to time thereunder.

"Intellectual Property" means patents, copyrights, trade secrets, trademarks, trade names, service marks, confidential information and other know-how, including but not limited to: (a) marketing and management intangibles, (b) computer software; and (c) manuals, instructions, policies, procedures and directives.

"Initial Term" has the meaning set forth in Section 10.01.

"LCFS CEO" has the meaning set forth in Section 4.04.

"LCFS Committee Representatives" has the meaning set forth in Section 6.01(b).

"LCFS Indemnitees" means LCFS and its Affiliates and their respective members, trustees, directors, officers, agents and employees, and any of their respective successors or assigns, or any of them individually.

"LCFS Support Services" has the meaning set forth in Section 3.01(c).

"Lease" has the meaning set forth in the Recitals of this Agreement.

"License" has the meaning set forth in Section 13.03.

"Liabilities" means any and all loss, costs, liability, damage, debts, liens, claims, causes of action, administrative orders or notices, fines, penalties or expenses, including, without limitation, engineers fees, reasonable out-of-pocket attorneys' fees and expenses and the cost of litigation.

"Lutherwood Programs" has the meaning set forth in the Recitals of this Agreement.

"Management Oversight Committee" has the meaning set forth in Section 6.01.

"Mediation Rules" has the meaning set forth in Section 14.02.

"New Employees" has the meaning set forth in Section 4.02.

"New Program" has the meaning set forth in Section 9.05.

"Non-Compete Area" has the meaning set forth in Section 9.04.

"Program Clients" has the meaning set forth in Section 2.04(b)(i).

"Program Expenses" has the meaning set forth and shall be calculated as described in Exhibit B.

"Program Facilities" has the meaning set forth in Section 5.01.

"Program Revenues" has the meaning set forth and shall be calculated as described in Exhibit B.

"Programs" has the meaning set forth in the Recitals of this Agreement.

"Person" means any individual, partnership, corporation, limited liability company, trust or other legal entity.

"Requirements of Law" means any law, code, rule, ordinance, regulation, license, certificate or order of any Governmental Authority, including any resident care or health care, building, zoning or use laws, ordinances, regulations or orders, environmental protection laws, employment laws, occupational health and safety laws and fire department rules.

"Shortfall" has the meaning set forth in Section 7.07.

"Term" has the meaning set forth in Section 10.01.

"Treatment Services" has the meaning set forth in Section 2.04(b)(i).

EXHIBIT A-1

LUTHERWOOD PROGRAMS

(1) Lutherwood Treatment Center: Lutherwood Residential Treatment Center provides care and treatment of children who exhibit chronic behavioral and/or emotional problems. The center holds a Private Secure Care License for 73 beds. A licensed group home, Trinity House, serves up to 10 youth with an independent living program.

(2) K-12 Public School Partnership: This partnership with Indianapolis Public Schools, Lutherwood Academy, offers residents of Lutherwood Residential Treatment Center the opportunity to attend a full day of school within a secure, treatment-centered environment. As a satellite program of Indianapolis Public Schools, Lutherwood Academy serves students with general and special education needs from kindergarten through twelfth grade. Students may participate in a credit recovery program. Eligible students may work towards a GED. Students work with the Education Coordinator towards a transition plan to return to the community school setting. In addition, LCFS provides over 6600 square feet. of space and maintenance / cleaning services for the IPS ROOTS program pursuant to a contract with IPS.

(3) Emergency Shelter Care: This service provides a licensed 24-hour temporary shelter which offers a safe and therapeutic option for up to 16 youth ages 12-18. These youth are in need for a variety of reasons, including runaway situations, endangerment through abuse or neglect or parental refusal to pick up a child from law enforcement or court. The program is licensed by the State of Indiana.

(4) Community-Based Services: These services consist of family strengthening home-based counseling and case management to youth and their families, including crisis management services, supervised visitation, out-patient substance use counseling and assessment. In addition to these DCS contracted services, LCFS provides domestic violence victims counseling and other counseling services to meet the unique needs of individuals and families.

(5) Community Alternatives to Psychiatric Residential Treatment (CA-PRTF): A home-based program designed to assist youth with serious emotional challenges with the collaboration of the family. This service may also include respite care for caregivers, crisis management and intervention, as well as, training for family and friends.

(6) YouthBuild Indy: This is a partnership with the Indianapolis Private Industry Council, Indiana Department of Workforce Development and the Department of Labor for an intensive 9-month program that prepares youth, 18-24, for successful entry into the adult workforce.

Note: The individuals providing services for the Youth Build Indy Program shall be employed by LCFS until such time as the parties determine that the individuals may become employed by CHNw. The revenue and expenses associated with the Youth Build Indy Program shall be treated as Program Revenue and Program Expense, respectively.

EXHIBIT A-2

CHNw PROGRAMS

(1) Youth Community Based Services: An extensive community-based treatment and case management service that consists of family strengthening home-based counseling and case management to youth (infants to 18 years) and their families. This includes crisis management services for youth and families to meet basic needs and maintain a unified household; provided, however, that for purposes of this Agreement, this excludes CHNw's wrap-around facilitation functions.

(2) Services provided to Program Clients:

(a) Initial Psychiatric Assessment

(b) Mental Health Level of Need Redetermination

(c) Individual, group and family psychotherapy

(d) Addiction Counseling

(e) Crisis Intervention Counseling

(f) Case management services

(g) Child and Adolescent Intensive Resiliency Services

(h) Intensive Outpatient Treatment

(i) Psychiatric Evaluations

(j) Medication Training and Support

(k) Skills Training and Development

(l) Medicaid Rehabilitation Option ("MRO") Eligibility Assessments

(m) All clinical services approved by Indiana Department of Children's' Services for LCFS and CHNw to provide

EXHIBIT B

CALCULATION OF PROGRAM EXPENSES AND PROGRAM REVENUES

Program Expenses.

(a) "Program Expenses" means any and all costs and expenses incurred by CHNw or LCFS and contemplated by this Agreement, including without limitation costs and expenses attributable to operation of the Programs, operation or use of the Program Facilities or otherwise to perform or comply with the terms of this Agreement during the Term. Without limiting the foregoing, such costs and expenses shall include the following:

- costs of inventory and supplies used in the operation of the Program Facilities and the Programs;

- costs to prevent, cure or correct any violation of federal, state or municipal laws, ordinances, regulations, restrictive covenants or orders or the rules of the Indiana State Fire Marshall with respect to the Program Facilities;

- costs under service contracts relating to the CHNw Support Services and the LCFS Support Services;

- costs payable to third parties for auditing, tax preparation, accounting and legal services with respect to the Program Facilities and the Programs;

- reasonable fees and expenses of audit, legal, technical and other independent professionals or other third parties who are retained by CHNw or LCFS to perform services required or permitted hereunder

- reasonable fees and expense of technical consultants and operational experts who are employees of CHNw or LCFS or their respective Affiliates and who perform specialized services (*i.e.*, services not otherwise required to be provided by CHNw or LCFS hereunder for and in consideration of the fees payable hereunder) in connection with the Program Facilities or the Programs, including in connection with the CHNw Support Services or the LCFS Support Services; provided, however, that the costs and expenses so incurred shall only be Program Expenses to the extent such costs and expenses are reasonable and competitively priced, as compared to similar work done by outside consultants or experts;

- costs incurred for all personnel who provide services relating to or in support of the operation or management of the Program Facilities or the Programs and whose services are entirely allocable to the Program Facilities and/or the Programs, and, with respect to such personnel whose time may be allocable in part to the Program Facilities or the Programs, and to other CHNw, LCFS or Foundation facilities or programs, a reasonable share of the costs of such personnel (determined by factors such as services rendered in a facility and operational complexities), such costs to include salary and wages (including costs of processing, printing and mailing of payroll checks

and W-2 forms), training programs, hiring expenses, payroll taxes, workers' compensation, bonus compensation, incentive compensation, retirement plan payments, travel expenses and other benefits payable (including, for example, health insurance, dental insurance, life insurance and disability insurance) to such personnel;

- costs and expenses under the Lease, including rent, utility, maintenance, repairs, improvements and other costs and expenses of LCFS as lessee thereunder excluding, however, all costs and expenses under the Lease attributable to the Chapel, notwithstanding any provision to the contrary in this Agreement;

- costs payable to third parties for printed forms and supplies required for use at the Program Facilities;

- costs payable to third parties for printed checks and bank account(s) maintained by CHNw or LCFS in accordance with this Agreement with respect to the Program Facilities or the Programs;

- costs of insurance for the Programs and the Program Facilities, which include: insurance premiums; the ultimate costs of self-insured losses and deductibles; claims administration costs; risk management costs; and other program costs including premium taxes, fronting fees, unemployment self-insurance assessments, collateral fees and surety bonds supporting self-insurance programs, and broker fees;

- costs incurred by either party for electronic data processing equipment, systems, software or services used at the Program Facilities, including procurement, maintenance and upgrades thereto;

- costs incurred by CHNw or LCFS for comprehensive crime insurance or fidelity bonds for employees working in the Program Facilities;

- any other costs, fees or expenses arising from or relating to the operation or management of the Program Facilities or the Programs and which CHNw or LCFS is authorized to incur in accordance with the terms and conditions set forth in this Agreement;

- bad debt, including without limitation, aged accounts receivable, returned checks, installment payment arrangements, etc. Bad debt shall be calculated consistent with CHNw's bad debt policy;

- interest accrued by either party in accordance with Section 7.07; and

- costs and expenses under the sublease set forth in Section 5.01(b).

(b) Program Expenses shall include expenses for CHNw Support Services, LCFS Support Services, and personnel of LCFS or CHNw allocated in part to Programs and Program Facilities and in part to functions unrelated to this Agreement to the extent approved from time to time by the Management Oversight committee. At a party's request, the other party shall

provide an analysis of the formula and methodology employed by the party in determining the expenses submitted to the Management Oversight Committee for approval.

Program Revenues.

(a) "Program Revenues" means, for any measurement period, all revenues and receipts of every kind, including reimbursements, derived from operating the Program Facilities and the Programs, including but not limited to:

- income (from both cash and credit transactions) from occupancy or service fees received from or relating to Program Clients;

- interest received with respect to the monies in any operating account of the Program Facilities;

- income from food and beverage and catering sales;

- income from telephone charges;

- income from vending machines;

- proceeds, if any, from business interruption or other loss of income insurance (to the extent such insurance either reimburses on the basis of gross revenues or otherwise covers all expenses including CHNw's fees), all determined on an accrual basis in accordance with GAAP consistently applied; and

- revenue or receipts from grants and gifts received by LCFS or CHNw and specially designated and restricted for use by or for the Programs and/or Program Facilities, excluding such revenue or receipts designated and/or restricted for use for capital improvements, repairs or replacements for the Leased Premises to be made by the Foundation as landlord under the Lease.

(b) Notwithstanding anything in this Agreement to the contrary, Gross Revenues shall not include:

- gratuities to employees at the Program Facilities;

- federal, state or municipal excise, sales or use taxes or similar taxes imposed at the point of sale and collected directly from residents or guests of the Program Facilities or included as part of the sales price of any goods or services, such as gross receipts or similar taxes;

- any cash refunds, rebates or discounts to Program Clients of the Program Facilities, or cash discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof;

- proceeds from any sale of the Program Facilities or any part thereof

- proceeds of any financing transaction affecting or involving the Program Facilities;

- security or resident fee deposits until such time as the same are applied to current fees and other charges due and payable;

- awards of damages, settlement proceeds and other payments received by LCFS in respect of any litigation, other than litigation to collect fees due for services rendered from the Program Facilities;

- proceeds of any condemnation;

- proceeds of any casualty insurance, other than loss of rents or business interruption insurance;

- payments under any policy of title insurance;

- income derived from securities and other property acquired and held for investment;

- any contributions made by CHNw or LCFS pursuant to any Capital Call; and

- revenue or receipts from grants, gifts and/or bequests received by LCFS other than grants or gifts (but not bequests) specially designated and restricted for use by or for the Programs and/or Program Facilities as provided in the last bullet of subparagraph (a) above.

EXHIBIT C

YEAR 1 ANNUAL BUDGET

	CONSERVATIVE		PROBABLE		AGGRESSIVE	
Secure	14,879	40.8	15,887	43.5	16,896	46.3
Trinity House	2,920	8.0	2,920	8.0	2,920	8.0
Respite Care	-	-	-	-	-	-
Emergency Shelter	1,460	4.0	2,190	6.0	2,190	6.0
Resident Days	19,259	52.8	21,727	59.5	22,006	60.3
Total LCFS Revenues	$8,804,966		$9,481,627		$ 9,941,421	
Gallahue Comm Based Margin	127,500		127,500		127,500	
TOTAL REVENUES	$8,932,466		$9,609,127		$10,068,921	
Total Salaries and Wages	$3,767,964		$3,794,535		$ 3,839,739	
Total Employee Benefits	1,168,069		1,176,306		1,190,319	
Total General and Admin	1,185,904		1,243,373		1,278,006	
Total Facility	602,640		602,640		602,640	
Total Non-Operating Expenses	1,664,000		1,648,413		1,639,389	
TOTAL EXPENSES	$8,388,576		$8,465,267		$8,550,093	
NET MARGIN YEAR 1	$543,889		$1,143,860		$1,518,828	

COMMUNITY HEALTH NETWORK
CONTRACT APPROVAL
*Denotes Mandatory Fields

*TYPE OF CONTRACT: Amendment to Present M.S.A. set to expire.

*EXTERNAL PARTY NAME: Lutheran Child and Family Services

OWNER CONTACT INFORMATION:

*NAME: George Hurd
*DEPARTMENT: Behavioral Health
*ADDRESS: 7229 Clearvista Parkway
*TELEPHONE: 317-621-7610
*I have verified with Purchasing that this provider is an approved Vendor via VendorMate. GH (Initials)

PURPOSE OF CONTRACT:
This amendment will update and extend the present M.S.A. with Lutheran Child and Family Services.

APPROVALS:

A. *VICE PRESIDENT / SENIOR LEADER OF SERVICE LINE *(Before sending to Legal)*
Reviewed: ____ Approved: ✓
By: [signature] (Signature) 12/20/17 (Date)

B. *CONTRACT DRAFTED BY:
Outside Party [ ] Owner [ ] Legal [X]

C. *LEGAL Date Received: 12/22/17
Reviewed: ____ Approved: ✓
By: [signature] (Signature) 1-3-18 (Date)

D. *FINANCE Date Received: 1/4/2018
Reviewed: ____ Approved: ✓
By: [signature] (Signature) 1/9/18 (Date)

E. RETURN TO OWNER TO SEND TO EXTERNAL PARTY. EXTERNAL PARTY TO EXECUTE AND RETURN. DISTRIBUTE FULLY EXECUTED COPIES AS FOLLOWS:
1. Original to Legal
2. Copy to All Parties
3. Copy to Owner
4. Copy to Finance or Purchasing (Dependent upon who pays vendor.)

*Is a Business Associate Agreement Required Under The HIPAA Privacy Rule?
YES X NO ____

*COST: $ N/A / ____ (Please Circle: Hr. /Mo./Yr.)

*FORECASTED: Yes x No ____
If No, Please explain:

*TERM: January 7, 20 18 to January 6, 20 23

*PURCHASING APPROVAL
YES ____ NO ____ If No, Why?

OWNERS:
Please attach this completed form and send to:
Cathy Leonard, Legal Dept.
7330 Shadeland Station

APPROVERS:
Please return to Cathy Leonard after EACH approval step for entry into the Tracking Log.

Revised 10/8/2015

AMENDMENT NO. 1
TO THE
MANAGEMENT SERVICES AGREEMENT

THIS AMENDMENT NO. 1 TO THE MANAGEMENT SERVICES AGREEMENT (this "Amendment No. 1") is entered into on December 22, 2017, by and between **Community Health Network, Inc.** *d/b/a* **Gallahue Mental Health Services**, an Indiana nonprofit corporation ("CHNw"), and **Lutheran Child and Family Services of Indiana/Kentucky, Inc.**, an Indiana nonprofit corporation ("LCFS").

RECITALS

WHEREAS, CHNw and LCFS entered into a Management Services Agreement dated December 19, 2012 (the "Agreement"); and

WHEREAS, CHNw and LCFS desire to amend said Agreement pursuant to Section 15.08 as provided herein.

NOW THEREFORE, in consideration of the mutual agreements and conditions contained herein and intending to be legally bound, the parties agree as follows:

1. **Actions Requiring Management Oversight Committee Approval.** Section 6.04(a) of the Agreement is deleted in its entirety and replaced with the following provision:

> 6.04(a) each Annual Budget and Annual Capital Budget and any and all changes, modifications or supplements thereto; provided, however, the Management Oversight Committee may delegate its authority (on such terms as it may specify) to make changes, modifications and supplements to the Annual Capital Budget to one representative each of CHNw and LCFS acting unanimously, subject to the provisions of Section 8.04, with each such change, modification or supplement approved by the representatives to be reported at the next meeting of the Management Oversight Committee;

2. **Capital Calls.** Section 6.07 of the Agreement is amended to add the following language at the end of the first sentence:

> The Management Oversight Committee may determine, from time to time, that the Program Facilities or the Programs require an infusion of capital, which may include, but not be limited to, any infusion of capital the Management Oversight Committee may deem necessary to address a non-routine Capital Improvement or an emergency or other Capital Improvement that is not included in any Annual Budget or Annual Capital Budget within the meaning of Section 6.04(a).

3. **Accounting; Financial Records; Audits; Budget.** Article VIII of the Agreement is amended to add new Section 8.04 as follows:

8.04 Annual Capital Budget. Subject to this Section 8.04, CHNw, in consultation with LCFS, shall, no later than thirty (30) days before the end of each Fiscal Year during the Term, deliver to the Management Oversight Committee for approval a draft annual capital budget covering Capital Expenditures anticipated for the next Fiscal Year for the Program Facilities and the Programs (each, an "Annual Capital Budget"). Capital Expenditures made pursuant to the Annual Capital Budget (as it may be approved or changed, modified or supplemented as provided in Section 6.04 (a)) shall not exceed the aggregate amount of Three Hundred Thousand and 00/100 Dollars ($300,000) in any Fiscal Year (net of any grants to LCFS or the Foundation treated as Program Revenue). CHNw and LCFS shall each contribute capital up to One Hundred Fifty Thousand and 00/100 ($150,000) each Fiscal Year during the Term to fund Capital Expenditures detailed in the Annual Capital Budget as approved pursuant to Section 6.04(a). Each of LCFS and CHNw shall promptly fund its equal share of any such Capital Expenditure included in the Annual Capital Budget pursuant to a process specified from time to time by CHNw's Behavioral Health Finance Director and the LCFS CFO and Director of Operations acting unanimously or such other representatives of CHNw and LCFS acting unanimously as may be designated by the Management Oversight Committee from time to time. Funding of the Annual Capital Budget by each party is not a Capital Call as defined in Section 6.07.

4. **Term.** The Term of the Agreement set forth in Section 10.01 of the Agreement is extended an additional five (5) years commencing January 7, 2018 and ending on January 6, 2023.

5. **Definitions.** The following new definitions are added to Schedule 1 of the Agreement:

"Annual Capital Budget" has the meaning set forth in Section 8.04.

"Capital Expenditure" means any expenditure in excess of $5,000 (as such amount may be increased or decreased with the approval of the Management Oversight Committee) required to be capitalized under GAAP.

"Capital Improvement" means any expenditure in excess of $5,000 (as such amount may be increased or decreased with the approval of the Management Oversight Committee) required to be capitalized under GAAP but excluding any expenditure made or to be made pursuant to the Annual Budget or Annual Capital Budget as provided in Section 6.04(a).

6. **Recitals.** The Recitals set forth above are incorporated into and made a part of the Agreement.

7. **No Further Modification.** Except as and to the extent expressly modified by this Amendment No. 1 or as otherwise required to effectuate the intent of this Amendment No. 1, the Agreement remains in full force and effect. A term not otherwise defined herein shall have the meaning set forth in the Agreement.

8. **Effective Date.** Unless otherwise specified herein, this Amendment No. 1 is effective as of January 6, 2018.

[Signature page to follow]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized representative to execute this Amendment No. 1 to the Management Services Agreement as of the date first written above.

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

By: Lewis D Beckwith

Lewis D. Beckwith
President

COMMUNITY HEALTH NETWORK, INC. *d/b/a* GALLAHUE MENTAL HEALTH SERVICES

By:

Jason Fahrlander
Executive Vice President
Chief Operating Officer

TRANSFER AGREEMENT

THIS FACILITY TRANSFER AGREEMENT (this "Agreement") is entered into and effective as of January 1, 2018 (the "Effective Date"), by and between **Community Health Network, Inc.** and its affiliated hospitals (collectively "Community") and **Lutheran Child and Family Services d/b/a Lutherwood,** located at 1525 North Ritter Avenue, Indianapolis, IN 46219 ("Facility" or "Transferring Facility").

RECITALS

WHEREAS, Facility provides healthcare services to its patients and occasionally identifies the need for additional services provided by Community and not provided by Facility;

WHEREAS, Community operates acute care inpatient hospitals through its affiliates in central Indiana, including an inpatient facility known as **Community Hospital East** ("Hospital" or "Receiving Facility") located at 1500 North Ritter Avenue, Indianapolis, IN 46219;

WHEREAS, when Facility identifies a patient in need of services not available at Facility but available at Community, Facility desires to transfer such patients to Community when Community has the capacity to accept such patients; and

WHEREAS, Community is willing to accept the transfer of such patients when Community has the capacity to do so pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the undersigned parties agree as follows:

1. Term. The term of this Agreement shall be for a period of one (1) year commencing on the Effective Date set forth above. Thereafter, this Agreement shall automatically renew for successive one (1) year terms unless sooner terminated in accordance with Section 2.

2. Termination. This Agreement may be terminated by either party at any time and for any or no reason upon at least thirty (30) days prior written notice. Notwithstanding the foregoing, this Agreement shall automatically terminate upon the occurrence of any of the following events at either institution: Loss of licensure or accreditation; exclusion from participation in Medicare or Medicaid; or a breach of this Agreement that is not cured to the non-breaching party's satisfaction within thirty days of notice of the details of such breach.

3. Duties of the Transferring Facility. The Transferring Facility shall initiate and coordinate a request for transfer as follows:

(a) Contact the Receiving Facility in a timely manner when a patient needing transfer is identified, describing the level of care needed with the staff of Community, including as needed, physician to physician discussions that allow Community to determine whether the Hospital is appropriately qualified, licensed and equipped, by way of bed capacity and resources, to accept, care for and meet the patient's medical needs.

(b) Calls to Community should be made by staff knowledgeable about the patient's clinical condition, and directed to the emergency department unless a direct

admission is desired, and a direct admission should be coordinated directly with the Behavioral Health Pavilion staff. All transfers must be consistent with promotion of the health and safety of the patient as determined by the patient's physicians and health care professionals. The Transferring Facility shall obtain the consent of the patient or of a legally authorized individual prior to initiating transfer, whenever possible. In emergency situations where consent is not documented, all efforts to obtain consent must be documented by the physician responsible for the patient.

(c) Prior to the transfer, coordinate the details of the transfer as clinically appropriate with the Receiving Party to ensure a smooth transfer of the patient and his/her records.

(d) At the time of transfer, Transferring Facility shall provide Community with all pertinent medical information necessary to maintain a continuum of care. Typically, this will include the patient's name, address, a copy of the patient's history, physical examinations, name of the treating physician, physician progress notes, laboratory reports, x-ray reports, discharge summary and transfer form, among others. The Transferring Facility is responsible for obtaining all necessary medical releases for the release of pertinent medical information.

(e) Be responsible for all patient care until the transfer is completed, including arranging for transportation and as applicable, paying transportation costs.

(f) When transferring patients with a known infectious condition, notify the Receiving Facility and take all reasonably necessary and medically appropriate precautions to prevent the spread of disease.

(g) Ensure that the patient is sufficiently stabilized for safe transfer. This means that no material deterioration of the patient's condition is likely, within reasonable medical probability, to result from or occur during the transfer of the patient.

(h) The Transferring Facility shall not transfer an un-stabilized patient unless:

    (i) The patient or the patient's legally authorized agent, in writing, requests a transfer to the Receiving Hospital after being informed of the Transferring Facility's obligation to provide stabilizing treatment and of the risks of transfer; or

    (ii) A physician or other qualified medical personnel at the Transferring Facility has signed a certification that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time of transfer, the medical benefits reasonably expected from treatment at the Receiving Hospital outweigh the risks to the patient.

(i) Use qualified personnel and transportation equipment including the use of necessary and medically appropriate life support measures to ensure the timely and safe transfer of patients.

(j) Arrange for the provision of security and accountability of patient's personal effects on transfer.

(k) If medically appropriate, accept patient back at the Transferring Facility for further care and treatment.

(l) Transfers shall be based upon the recommendation of the transferring physician who has assessed the patient and determined that the transfer is medically appropriate and the acceptance of the transfer by the receiving physician who concurs that transfer to a higher level of care is required, who concurs transfer is medically appropriate, and who reasonably believes that appropriate facilities and staff are not available at the Transferring Facility.

(m) To arrange for the transfer of the patient to Community, and to accept and arrange for the transfer of the patient back to the Transferring Facility, when the patient no longer requires the specialized capabilities of Community, subject to the wishes of the patient and the capacity of the Facility.

4. Duties of Receiving Facility. The Receiving Facility shall:

(a) Comply fully with all requirements of EMTALA.

(b) Comply with all applicable laws, regulations, and applicable accreditation standards.

5. Autonomy. The parties agree that each party shall continue to have the exclusive control of the management, business and properties of their respective institutions, and neither party by virtue of this Agreement assumes any liability for any debts or obligations of the other party to the Agreement.

6. Admission Priorities. Admissions to Receiving Facility shall be in accordance with Receiving Facility's admission policies and procedures and in accordance with Receiving Facility's Medical Staff Bylaws and rules and regulations. Nothing in this Agreement shall be construed to require Receiving Facility to give priority of admission to patients being transferred from Transferring Facility, or to accept any patient from Transferring Facility if Receiving Facility does not have the capacity to appropriately care for the patient.

7. Insurance and Indemnification.

(a) Professional Liability. Each party shall maintain medical malpractice insurance with those limits necessary to qualify the party and its employees as qualified health care providers under the Indiana Medical Malpractice Act (Ind. Code § 34-18 *et seq.*), as amended from time to time or any successor legislation (the "Act"), and remain so qualified throughout the Term of this Agreement. The insurance shall provide coverage for incidents, claims and suits arising from activities performed pursuant to this Agreement during the Term of this Agreement as well as those claims and suits arising pursuant to this Agreement, but reported after the Agreement has been terminated.

(b) Indemnification. To the extent of the parties' insurance coverage for such risks, each party shall indemnify and hold harmless the other party and the other party's officers,

directors, shareholders, employees and agents from and against all liabilities, losses, claims, suits, judgments, damages, costs, expenses, and legal fees arising directly or indirectly from any negligent act or omission on the part of such party.

8. Compliance with Laws. The parties shall comply fully with all applicable state and federal laws, regulations and accreditation standards, including but not limited to the Emergency Treatment of Active Labor Act ("EMTALA"), the Health Insurance Portability and Accountability Act ("HIPAA") and the applicable Medicare Conditions of Participation.

9. Patient Referrals. This Agreement does not require either Transferring or Receiving Facility to refer patients or enter into any other arrangement for the provision of any item or service offered for which Medicare or Medicaid payments may be made.

10. Billing. Each party shall be responsible for billing and collecting for its services rendered to the patients transferred hereunder. Charges for services performed by either party will be collected by such party from the patient or the patient's guarantor. The parties shall coordinate as necessary to insure that billing of third party or governmental payers pursuant to this Agreement is consistent with all applicable legal requirements.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.

12. Governing Law. This Agreement shall be deemed to have been made under and shall be construed and interpreted in accordance with the laws of the State of Indiana.

13. Change in Law. It is the intention of the parties to comply with all Medicare/Medicaid laws and regulations and all other applicable laws and regulations, including, but not limited to, the Internal Revenue Code of 1986, as amended, the Medicare and Medicaid Anti-Kickback statute, and any regulations promulgated thereunder. The parties acknowledge that legislation, regulations, an administrative ruling or other legally binding opinion may be adopted, amended, promulgated or issued which effectively renders this Agreement unlawful, could affect the tax exempt status of either party or any affiliates thereof, could impose liability or exclusion from participation in the Medicare or Medicaid program or otherwise have a negative impact on either party. In such event, either party may by written notice propose the termination, restructuring or renegotiation of this Agreement in order to effect compliance. If such notice is given and the parties are unable within thirty (30) days thereafter to reach an agreement with respect to restructuring of the Agreement, then this Agreement shall automatically terminate.

14. Third Party Beneficiary. The parties do not intend to confer any rights, privileges or benefits upon any other individual(s) or entity(ies), not signatories to this Agreement, arising out of this Agreement. The parties agree that nothing in this Agreement shall be construed or interpreted to confer any such rights, privileges or benefits upon any individual or entity not a signatory to this Agreement.

15. Force Majeure. The parties understand and acknowledge that neither shall be liable for any loss, damage, detention, delay or failure to perform in whole or in part resulting from causes beyond their control including, but not limited to, act of God, fire, hurricanes, strikes, insurrections, riots, embargoes, shortages of motor vehicles, delays in transportation, and inability to obtain supplies of raw materials or requirements or regulations of the United States government or any other civil or military authority.

16. Notices. Any notice required to be given under this Agreement shall be addressed to the appropriate party as set forth on the signature page and shall be effective: (a) on the date of delivery if given in writing and hand delivered; (b) on the date received, if sent by overnight courier with written proof of receipt; or (c) three (3) days after posting in the United States mail and sent by First Class United States Mail with postage prepaid and return receipt requested.

Community:	Community Health Network, Inc. 7330 Shadeland Station Indianapolis, IN 46256 Attn: Chief Financial Officer
Facility:	Lutherwood 1525 North Ritter Avenue Indianapolis, IN 46219 Attn: Administrator

17. Access to Books and Records.

(a) Access. If this Agreement is determined to be a contract within the purview of §1861(v)(1)(I) of the Social Security Act (§952 of the Omnibus Reconciliation Act of 1980) and the regulations promulgated in implementation thereof at 42 CFR Part 420, the parties agree to make available to the Comptroller General of the United States, the Secretary of the Department of Health and Human Services, and their duly authorized representatives, access to the books, documents and records of parties, and such other information as may be required by the Comptroller General or Secretary to verify the nature and extent of the costs of services provided by parties. If either party carries out the duties of the Agreement through a subcontract worth Ten Thousand Dollars ($10,000.00) or more over a twelve (12) month period, the subcontract will also contain an access clause to permit similar access by the Comptroller General and Secretary to the subcontractor's books and records.

(b) Compliance. If either party refuses to make the books, documents and records available for said inspection and if the other party is denied reimbursement for said services based on such refusal, each party agrees to indemnify the other party for such loss or reduction in reimbursement. The obligation of the parties to make records available shall extend for four (4) years after the furnishing of the latest services under this Agreement or any renewal thereof.

18. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the safe instrument.

19. Entire Agreement. This Agreement contains the entire understanding between the undersigned parties and supersedes any and all prior agreements or understandings, whether oral or written, relating to the subject matter of this Agreement. This Agreement may not be amended, changed or modified except by written agreement executed by both parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned parties have caused this Transfer Agreement to be executed by their duly authorized representatives as of the Effective Date.

"Community"

COMMUNITY HEALTH NETWORK, INC.

By: _____
Joseph M. Kessler
EVP / Chief Financial Officer

"Facility"

LUTHERAN CHILD AND FAMILY SERVICES d/b/a LUTHERWOOOD

By: _____
Printed Name: Sven C. Schumacher
Title: Administrator

MANAGEMENT SERVICES AGREEMENT

between

COMMUNITY HEALTH NETWORK, INC. D/B/A
GALLAHUE MENTAL HEALTH SERVICES

and

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

Dated as of
December 19, 2012

List of Schedules and Exhibits

Schedule 1	Definitions
Exhibit A-1	Lutherwood Programs
Exhibit A-2	CHNw Programs
Exhibit B	Program Expenses and Program Revenues
Exhibit C	Year 1 Annual Budget

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made as of December 19, 2012 (the "Execution Date") by and between Community Health Network, Inc. d/b/a Gallahue Mental Health Services, an Indiana nonprofit corporation ("CHNw"), and Lutheran Child and Family Services of Indiana/Kentucky, Inc., an Indiana nonprofit corporation ("LCFS").

RECITALS

WHEREAS, LCFS operates: (a) a licensed psychiatric residential treatment facility located at 1525 N. Ritter Avenue, Indianapolis, IN 46219 and known as the "Lutherwood Treatment Center" (the "Facility"); and (b) a series of related programs, including but not limited to those programs described in Exhibit A-1 attached to this Agreement and incorporated herein by reference (collectively, the "Lutherwood Programs");

WHEREAS, LCFS desires to engage CHNw to manage the Facility and all of the Lutherwood Programs (but not including the Excluded Program (as defined below)) on behalf of LCFS;

WHEREAS, LCFS also desires for CHNw to provide, on behalf of LCFS, certain additional services described in Exhibit A-2 attached to this Agreement and incorporated herein by reference, in addition to certain youth based community services also set forth in Exhibit A-2 (collectively, the "CHNw Programs" and, together with the Lutherwood Programs, the "Programs"), and for CHNw to employ all of the clinical, direct care and management staff (other than the LCFS CEO (as defined below)) required to operate the Program Facilities (as defined below) and the Programs except as provided herein;

WHEREAS, CHNw desires to manage the Facility and the Lutherwood Programs (but not the Excluded Program) on behalf of LCFS, and to provide and manage the CHNw Programs, and it is willing to directly employ all of the clinical, direct care and management staff (other than the LCFS CEO) required to operate the Facility and the Programs except as provided herein;

WHEREAS, the Foundation for Lutheran Child and Family Services, Indiana, Inc. (the "Foundation") owns all of the real property, equipment and all other assets that are currently being utilized by LCFS (other than personal property owned by LCFS) in connection with the operation of the Facility and the Lutherwood Programs; and

WHEREAS, concurrently with the execution of this Agreement, LCFS and the Foundation will enter into a Lease Agreement (the "Lease"), pursuant to which the Foundation shall agree to lease the Program Facilities to LCFS on commercially reasonable terms, which Lease shall be subject to prior review and approval by CHNw pursuant to Section 5.01(a).

NOW, THEREFORE, the parties hereto agree as follows:

AGREEMENTS

ARTICLE I
DEFINITIONS

Capitalized terms used but not defined in this Agreement shall have the respective meanings assigned thereto in Schedule 1 attached hereto and incorporated by reference in this Agreement.

ARTICLE II
APPOINTMENT OF CHNW AS MANAGER; GENERAL OBLIGATIONS OF CHNW

2.01 Appointment of CHNw to Manage Facility and Lutherwood Programs. On and as of the Commencement Date, subject to the terms and conditions of this Agreement, including but not limited to the authority of the Management Oversight Committee under Article VI, LCFS appoints CHNw, and CHNw accepts appointment, as the sole and exclusive manager for the operation and management of the Program Facilities and the Programs (not including the Excluded Program) during the Term. Without limiting anything in this Agreement to the contrary, the parties agree that CHNw shall have no responsibility or liability to LCFS or to any third party with respect to the Excluded Program.

2.02 Engagement of Employees. Except as provided on Exhibit A-1, on and as of the Commencement Date and continuing during the Term, CHNw shall employ all of the clinical, direct care and management staff (other than the LCFS CEO) required to operate the Program Facilities and the Programs (not including the Excluded Program) in accordance with and as provided in Article IV.

2.03 Agreement to Provide CHNw Programs. Without limiting anything in this Article II, on and as of the Commencement Date and continuing during the Term, CHNw shall also: (a) be responsible for all aspects of the operation and management of the CHNw Programs (not including the Excluded Program); and (b) make the CHNw Programs available to LCFS for purposes of this Agreement.

2.04 General Management Authority of CHNw.

(a) Subject to the provisions of Article IV and Article VI, on and as of the Commencement Date and continuing during the Term, all day-to-day operations of the Program Facilities and the Programs (not including the Excluded Program) shall be under the supervision of CHNw, which shall be responsible for the proper and efficient management of the Program Facilities and the Programs (not including the Excluded Program) subject to the terms and conditions of this Agreement.

(b) Without limiting the generality of the foregoing, CHNw shall:

(i) provide, or, with the approval of the Management Oversight Committee, arrange for the provision of all clinical and direct care services (collectively, the "Treatment Services") to clients of the Programs (collectively, the "Program Clients");

(ii) provide, or, with the approval of the Management Oversight Committee, arrange for the provision of all support services in connection with the operation of the Program Facilities or the Programs (except for the LCFS Support Services), including but not limited to: (A) billing and collection services as described in Article VII; (B) dietary services; (C) transportation services; (D) security services (taking into account currently installed systems); (E) risk management; (F) quality of care; (G) human resources; (H) payroll; (I) contracting; (J) finance and accounting; (K) purchasing and accounts payable; and other support services (collectively, the "CHNw Support Services"). The Management Oversight Committee may from time to time change the support services for which CHNw shall be responsible;

(iii) provide or arrange for, with the approval of the Management Oversight Committee, the provision of information technology and telecommunications equipment and services in connection with the operation of the Program Facilities or the Programs as determined from time to time by the Management Oversight Committee, which are intended to be transitioned from LCFS to CHNw on or before May 1, 2013;

(iv) (A) maintain: (1) any and all licenses, permits, accreditations and approvals, including provider contracts and provider numbers, required in order to perform CHNw's obligations pursuant to this Agreement and otherwise in connection with the operation of the Program Facilities and the Programs; and (2) its Community Mental Health Center ("CMHC") status in connection with the operation of the Program Facilities and the Programs; and (B) comply with all applicable Requirements of Law in the performance of CHNw's obligations under this Agreement; and

(v) provide such services, as contemplated hereunder, and any and all books, records, financial and other information and reports and data to LCFS to the extent required to ensure that LCFS is able to satisfy its obligations timely and fully under Section 3.01(d).

2.05 Representation on the LCFS Board. Within ninety (90) days of the Commencement Date and continuing during the Term, CHNw shall be entitled to have two (2) individuals designated by CHNw serve as voting members of the LCFS Board of Directors (the "CHNw Appointed Board Members"). LCFS agrees that it shall take any and all actions that may be required to ensure that the CHNw Appointed Board Members are duly elected or appointed to the LCFS Board of Directors within ninety (90) days of the Commencement Date in connection with LCFS' internal processes and nomination/voting procedures. The CHNw Appointed Board Members shall not be removed from the LCFS Board of Directors during the remainder of the Term without prior notice to and the prior consent of CHNw. CHNw shall be entitled to designate successors for either or both of the CHNw Appointed Board Members from time to time on notice to LCFS.

ARTICLE III
LCFS OBLIGATIONS AND RETAINED POWERS

3.01 LCFS Obligations. Notwithstanding anything in this Agreement to the contrary, LCFS shall be required to:

(a) pursuant to the Lease (or otherwise, in the case of tangible personal property) , make available, directly or indirectly through the Foundation, all existing physical space, furniture, fixtures, equipment and other hard assets used in connection with the operation of the Lutherwood Programs (including but not limited to the Program Facilities) as further provided in Article V;

(b) employ such individuals as may be required to be responsible for providing limited finance/accounting services in connection with the Facility and/or to the Foundation;

(c) provide or, with the approval of the Management Oversight Committee, arrange for the provision of certain other support services in connection with the operation of the Program Facilities and the Programs as follows: (i) grounds and facilities management services; (ii) laundry services; and (iii) environmental services (the "LCFS Support Services"); provided, however, that notwithstanding the foregoing, LCFS shall be entitled to subcontract with third parties for the provision of the LCFS Support Services only if CHNw is not willing or able to provide such services. The Management Oversight Committee may from time to time change the support services for which LCFS shall be responsible;

(d) (i) maintain any and all licenses, permits, accreditations and approvals required to perform LCFS' obligations pursuant to this Agreement and otherwise in connection with the operation of the Program Facilities and the Lutherwood Programs; (ii) comply with all applicable Requirements of Law in the performance of LCFS' obligations under this Agreement; and (iii) pursue contracts and grants specifically designated and restricted for the use and benefit of the Programs and Program Facilities and comply with the terms of any such grants.

(e) maintain an ongoing relationship with the Foundation, which shall include but not be limited to complying with the Lease and any and all other obligations of or agreements between LCFS to the Foundation, including but not limited to any reporting requirements thereunder; and

(f) provide such services, as contemplated herein, and any and all books, records, financial information and other reports to CHNw to the extent required pursuant to this Agreement to ensure that CHNw can perform its obligations under this Agreement, including with respect to cash reconciliation pursuant to Section 7.05.

3.02 Obligations Exclusively Reserved to LCFS. Notwithstanding anything to the contrary in this Agreement, as between CHNw and LCFS, LCFS shall retain the sole responsibility and obligation to:

(a) operate and manage the Excluded Program;

(b) hire or discharge any employee responsible for providing any finance/accounting services described in Section 3.01(b) or the LCFS Support Services;

(c) hire, make compensation decisions regarding, discipline or terminate the LCFS CEO; and

(d) pay or discharge when due (but only to the extent legally obligated to do so) any and all compensation, wages, bonuses, claims, and charges of any nature whatsoever of employees of LCFS that arise prior to the Commencement Date and out of or related to their employment with LCFS, regardless of whether such employees are offered and/or accept an offer of employment with CHNw pursuant to Section 4.02 (collectively, the "Terminated Employees"), including but not limited to any severance payments, payments for any unused, accrued time off, and obligations, if any, for continuation of medical and/or health benefits required under COBRA.

ARTICLE IV
PERSONNEL MATTERS

4.01 Engagement of LCFS Personnel by CHNw. Except as set forth on Exhibit A-1, prior to the Commencement Date, CHNw shall determine, in its sole discretion, which individuals who were employed by LCFS prior to the Commencement Date, if any, will be hired as employees of CHNw on and as of the Commencement Date to provide the Treatment Services, the CHNw Support Services, and all employees responsible for managing the Program Facilities and Programs (collectively, the "New Employees"), and CHNw shall inform LCFS of its decision prior to the Commencement Date. The New Employees shall become employees of CHNw as of the Commencement Date. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of CHNw with respect to employees or to create or grant to any such employees third-party beneficiary rights or claims of any kind or nature. LCFS shall take appropriate measures to formally terminate all New Employees on or before the Commencement Date.

4.02 CHNw Personnel. The New Employees shall be employees of CHNw as of the Commencement Date, and CHNw shall have sole responsibility and authority to hire, train, promote, assign, supervise and discharge such personnel. CHNw shall be responsible for the formulation, implementation, modification and administration of wage scales, rates of compensation, employee insurance and leave benefits, employee taxes, in-service training, worker's compensation coverage, attendance at seminars or conferences, staffing schedules, job descriptions and personnel policies with respect to such personnel. The wages/salaries, benefits, and other employment-related costs and obligations for or with regards to the New Employees shall be paid or provided by CHNw.

4.03 Employee Benefits Matters. CHNw shall make available to all New Employees coverage under the benefit plans available to similarly situated employees of CHNw on substantially the same terms and conditions applicable to such similarly situated employees. Except as set forth in this Section 4.03, CHNw shall recognize the existing seniority and service credit with LCFS of all New Employees for benefits purposes in CHNw's retirement plans and other plans which consider seniority and shall provide credit under such plans for purposes of and determining eligibility, vesting and level of benefits, subject to the terms and conditions of such plans; provided, however, that CHNw shall not recognize the existing senior and service credit with LCFS of New Employees under such plans with respect to benefit accruals.

4.04 Chief Executive Officer. LCFS shall make available an individual to serve as the Chief Executive Officer of LCFS, and who shall also provide services to or for the benefit of the

Foundation (the "LCFS CEO") based on a division of time to be determined by the Management Oversight Committee. The LCFS CEO shall meet the Department of Child Services ("DCS") licensing requirements. The initial and continuing appointment of the LCFS CEO shall be in the sole discretion of the LCFS Board of Directors.

4.05 LCFS Personnel. The LCFS CEO and all employees responsible for providing the LCFS Support Services, YouthBuild Indy services as set forth on Exhibit A-1 and services otherwise contemplated by Section 3.01 shall be employees of LCFS, and LCFS shall have sole responsibility and authority to recruit, hire, train, promote, assign, supervise and discharge such personnel. LCFS shall be responsible for the formulation, implementation, modification and administration of wage scales, rates of compensation, employee insurance and leave benefits, employee taxes, in-service training, workers' compensation coverage, attendance at seminars or conferences, staffing schedules, job descriptions and personnel policies with respect to such personnel. The wages/salaries, benefits and other employment related costs and obligations for or with regards to such personnel shall be paid directly by LCFS. LCFS agrees to employ the minimum number of personnel required to provide the LCFS Support Services and other services contemplated by Section 3.01 (taking into account services to be provided by CHNw under Section 2.04).

ARTICLE V
PROGRAM FACILITIES; CAPITAL IMPROVEMENTS; INSURANCE; CASUALTY AND CONDEMNATION

5.01 Leases; Other Facilities.

(a) Concurrently with the execution of this Agreement, LCFS and the Foundation shall enter into a Lease Agreement (the "Lease"), in the form approved by CHNw, pursuant to which the Foundation shall agree to lease to LCFS, on commercially reasonable terms, the Facility and any other real property assets, which are used for the provision of the Program Services (collectively, other than the Chapel, the "Program Facilities"). The Foundation shall also lease to LCFS any tangible personal property it currently owns which is located in or at the Program Facilities and currently used for Program Services, and LCFS shall make such personalty, together with tangible personal property it owns and currently uses for such purposes in or at the Program Facilities, available to CHNw as necessary and appropriate hereunder. The Lease approval of CHNw may be evidenced by CHNw signing the Lease solely for such purpose.

(b) On or concurrently with the Commencement Date, CHNw shall sublease from LCFS approximately 1,286 square feet of dedicated office space and office furnishings currently located within Program Facilities to deliver outpatient behavioral health services in connection with/support of the Programs.

(c) CHNw shall make available for the benefit of the Programs certain facilities for the provision of community based wrap around services on such terms and conditions as shall be agreed by the parties from time to time as confirmed by the Management Oversight Committee.

5.02 Condemnation.

(a) In the event all or substantially all of the Facility shall be taken in any eminent domain, condemnation, compulsory acquisition or similar proceeding by any competent authority for any public or quasi-public use or purpose, or in the event a portion of the Facility shall be so taken, but the result is that it is unreasonable to continue to operate the Facility in accordance with the standards required by this Agreement, this Agreement shall terminate effective as of the date of such taking or similar proceeding. Each of LCFS and CHNw shall each have the right to initiate such proceedings as they deem advisable to recover any damages to which they may be entitled.

(b) In the event a portion of the Facility shall be taken by the events described in Section 5.02(a) or all of the Facility is affected but on a temporary basis, and the result is not to make it unreasonable to continue to operate the Facility, this Agreement shall not terminate. However, so much of any award for any such partial taking or condemnation as shall be necessary to render the Facility equivalent to its condition prior to such event shall be used by LCFS for such purpose, and CHNw shall have the right to discontinue managing the Facility or portion of the Facility to the extent it deems necessary for the safe and orderly operation of the Facility.

(c) In the event of any proceedings described in Sections 5.02(a) or 5.05(b), and if LCFS and CHNw cannot agree on a fair and equitable apportionment of any such award, the dispute shall be resolved through the dispute resolution procedures pursuant to Article XIV.

ARTICLE VI
MANAGEMENT OVERSIGHT COMMITTEE; CHIEF OPERATIONS OFFICER; CAPITAL CALLS; CONTRACTS

6.01 Composition. On or before the Commencement Date, LCFS and CHNw shall establish a six (6) member management oversight committee (the "Management Oversight Committee"), which shall be comprised of: (a) two (2) representatives of CHNw (the "CHNw Committee Representatives"), who shall be appointed by CHNw, and shall be voting members of the committee; (b) two (2) representatives of LCFS, who shall be appointed by LCFS (the "LCFS Committee Representatives") and shall be voting members of the committee; and (c) the LCFS CEO and the Chief Operations Officer as *ex officio*, non-voting members of the committee. The Management Oversight Committee shall be generally responsible for overseeing the parties' agreements and arrangements set forth in this Agreement and the operation and management of the Program Facilities and the Programs in accordance herewith. The Management Oversight Committee shall be entitled to delegate any of its rights or responsibilities under this Agreement to any individual or entity in its sole discretion.

6.02 Meetings. Regular meetings of the Management Oversight Committee shall occur once each calendar quarter during the first full year after the Commencement Date, and thereafter at such intervals as shall be determined by the Management Oversight Committee. Special meetings of the Management Oversight Committee may be called from time to time by any member of the Management Oversight Committee (including the *ex officio* members) by

providing the other members (including the *ex officio* members) with at least two (2) Business Days' written notice, which notice shall include sufficient details to understand the purpose for which the special meeting is called.

6.03 Decisions by the Management Oversight Committee; Deadlock. All decisions of the Management Oversight Committee shall require the unanimous consent of all four (4) voting members of the Committee (*i.e.*, the two (2) CHNw Committee Representatives and the two (2) LCFS Committee Representatives). In the event the voting members of the Management Oversight Committee are unable to reach a unanimous decision on a particular matter within a reasonable period of time not to exceed thirty (30) days following their good faith efforts (a "Deadlock"), the parties agree that such Deadlock may be escalated by either or both of them pursuant to the dispute resolution procedures set forth in Article XIV.

6.04 Actions Requiring Management Oversight Committee Approval. Subject to any approvals that may be required from the Boards of Directors of CHNw and LCFS, respectively, as the case may be, the Management Oversight Committee shall have the sole power and authority to approve (via a formal vote as necessary) the following actions described below:

(a) each Annual Budget and any and all changes, modifications or supplements thereto;

(b) any strategic plan and/or key performance indicators for the Program Facilities and/or the Programs, including quality and safety indicators, and any and all changes, modifications or supplements thereto;

(c) any proposed amendment, revision, modification or supplement to this Agreement;

(d) any profit/loss allocations or distributions to CHNw and LCFS pursuant to Section 7.06;

(e) the appointment or removal of the Chief Operations Officer;

(f) any determination with respect to material licensure/accreditation issues involving the Program Facilities and the Programs;

(g) any state contracts pertaining to the Program Facilities or the Programs, including any and all changes, modifications and supplements thereto;

(h) the prosecution or defense of any material litigation involving the Facility or the Programs, or the filing of any claim under any policy of insurance relating to the Facility or the Programs;

(i) any Capital Improvements;

(j) any Capitals Calls;

(k) the entry by either LCFS or CHNw into any contract for the Program Facilities or the Programs that: (i) involves any expenditure, individually or in the aggregate, of $10,000 or more; or (ii) does not allow LCFS or CHNw, as the case may be, the right to terminate without cause or for convenience, or which requires more than sixty (60) days' notice to terminate without cause or for convenience;

(l) any proposed amendment, revision, modification or supplement to the Lease, including but not limited to any change (including any increase) in the Lease rent paid thereunder and not provided for under the terms of the Lease;

(m) the development or launch by LCFS or CHNw of any significant new programs and services involving or affecting the Program Facilities or the Lutherwood Programs (including RFPs and grants);

(n) any material deviation from the Annual Budget for any Fiscal Year (*e.g.*, new programs, new full-time employees or equivalents, Capital Improvements, *etc.*);

(o) the conduct of annual or periodic performance reviews, financial and otherwise, of the Program Facilities and/or the Programs; and

(p) approval of Chief Operation Officer's annual goals and objectives.

6.05 Chief Operations Officer. On or before the Commencement Date, the Management Oversight Committee shall appoint an individual employee of CHNw to act as a managing director of the Program Facilities and the Programs (the "Chief Operations Officer"). The Chief Operations Officer shall oversee the day to day operations of the Program Facilities and the Programs and shall be responsible for the following, in addition to such other matters as may be delegated from time to time by the Management Oversight Committee in its discretion:

(a) the day to day management of the operations of the Program Facilities and the Programs, including the provision of the Treatment Services, the CHNw Support Services and the LCFS Support Services, consistent with this terms of this Agreement;

(b) executing the strategic plan for the Program Facilities and the Programs consistent with the Annual Budget for the relevant Fiscal Year;

(c) executing any activity that is consistent with the Annual Budget for each Fiscal Year;

(d) responding to local, state and federal requests for information; and

(e) any other activity not specifically reserved to the Management Oversight Committee for prior approval.

6.06. Submission of Information to the Management Oversight Committee. Beginning on the Commencement Date and during the Term, the LCFS CEO and the Chief Operations Officer shall be required to submit material information, notices and updates regarding the Program Facilities and the Programs to the Management Oversight Committee in between

meetings of the Management Oversight Committee, which information, notices and updates shall include, but may not be limited to:

(a) information relating to any litigation or claim involving the Program Facilities or the Programs;

(b) information relating to any insurance claims involving the Program Facilities or the Programs;

(c) information involving any regulatory issues (including any investigation or inquiry by any Governmental Authority) and any findings, fines, administrative or civil action, injunction, adjudication or the like regarding the Program Facilities or the Programs;

(d) anything that is determined to be reasonably likely to have a material adverse effect on the Program Facilities or the Programs; and

(e) information regarding any matter or determination that falls within the purview of the Management Oversight Committee pursuant to Section 6.01.

The parties agree that, in the event there is any doubt as to whether any information, notice or update should be provided to the Management Oversight Committee, the LCFS CEO or the Chief Operations Officer, as the case may be, should err on the side of providing such information, notice or update to the Management Oversight Committee.

6.07 Capital Calls. The Management Oversight Committee may determine, from time to time, that the Program Facilities or the Programs require an infusion of capital, which may include, but not be limited to, any infusion of capital the Management Oversight Committee may deem necessary to address a non-routine Capital Improvement or an emergency or other Capital Improvement that is not included in any Annual Budget. In such event, the Management Oversight Committee shall authorize a capital call (each, a "Capital Call"). The Management Oversight Committee shall provide written notice of such Capital Call to each of LCFS and CHNw, and each of LCFS and CHNw shall promptly, but in any event within fifteen (15) days of such notice, fund its ratable portion of such Capital Call (*i.e.*, 50% in each case) in cash or by wire transfer of funds to the bank account designated by the Management Oversight Committee for such purpose.

6.08 Contracts Pertaining to Program Facilities and Programs. Neither the Management Oversight Committee nor its individual members in their capacity as members of the Management Oversight Committee shall have the power or authority to execute contracts in the name of or to make commitments or to bind CHNw or LCFS. Beginning on the Commencement Date and continuing during the Term, all contracts pertaining to the Program Facilities or the Programs that are in LCFS' name shall be executed by an authorized representative of LCFS, subject to Section 6.04 and the provisions of this Section 6.08. All contracts pertaining to the Program Facilities or the Programs that are in CHNw's name shall be executed by an authorized representative of CHNw, subject to Section 6.04 and the provisions of this Section 6.08. LCFS acknowledges that all CHNw contracts are required to be submitted through CHNw's approval routing process.

ARTICLE VII
BILLING AND COLLECTIONS; PROGRAM REVENUES AND EXPENSES ALLOCATIONS OF PROFITS/LOSSES; CAPITAL IMPROVEMENTS AND NEEDS

7.01 Billing and Collections. Beginning on the Commencement Date and continuing during the Term, CHNw shall perform all billing functions related to the Programs utilizing the entity provider information as appropriate or required for the billed service.

7.02 Credits and Collections. CHNw shall install credit and collection policies and procedures, and shall institute reasonable steps necessary to effectuate billing and collection of accounts and monies owed relating to the Program Facilities and the Programs. This also includes the institution of legal proceedings in the name of CHNw or LCFS to collect such accounts or to enforce the rights of CHNw or LCFS as creditor under any contract in connection with the rendering of any service or the purchase of any goods, if necessary after CHNw has used commercially reasonable efforts to collect such accounts, or to enforce such rights without the institution of such proceedings. Any and all reasonable costs and/or fees charged by any third party in connection with the collections and/or enforcement set forth in this Section shall be included in the Program Expenses.

7.03 Attribution of Revenues.

(a) All revenues and accounts receivable derived or arising from the operation of the Program Facilities or the Lutherwood Programs prior to the Commencement Date shall be the sole property of LCFS. All revenues and accounts receivable derived or arising from the operation of the CHNw Programs prior to the Commencement Date shall be the sole property of CHNw.

(b) Beginning on the Commencement Date and continuing during the Term, any and all Program Revenues and related accounts receivables derived or arising from the operation of the Programs during the Term shall be attributed to this Agreement and the arrangements described herein and shall be applied as described in this Agreement.

7.04 Payment of Expenses. Beginning on the Commencement Date and continuing during the Term, the following Program Expenses shall be borne and paid as follows:

(a) all costs and expenses associated with and related to the performance of CHNw's obligations under this Agreement including, but not limited to, the employees responsible for providing Treatment Services and CHNw Support Services, the employees responsible for managing the Program Facilities and the Programs (except for the LCFS CEO and the employees providing the LCFS Support Services and other LCFS services contemplated by Sections 3.01 and 4.05), and the engagement of any subcontractors to perform CHNw's obligations hereunder, shall be borne and paid directly by CHNw; and

(b) all costs and expenses associated with and related to the performance of LCFS' obligations under this Agreement including, but not limited to, the LCFS CEO and all employees responsible for providing LCFS Support Services and other LCFS services contemplated by Sections 3.01 and 4.05, the engagement of any subcontractors to perform

LCFS' obligations hereunder, and rent and other obligations of LCFS as Tenant under the Lease, shall be borne and paid directly by LCFS.

7.05 Cash Flow Reconciliation. Beginning on the Commencement Date and continuing during the Term, cash flows from the operation of the Program Facilities and the Programs shall be reconciled and reported by CHNw to the Management Oversight Committee on a monthly basis for the first full year after the Commencement Date or such other period as may be determined by the Management Oversight Committee, and thereafter on a quarterly basis or at such other interval as shall be determined by the Management Oversight Committee.

7.06 Allocation and Distribution of Profits and Losses from Program Operations. Beginning on the Commencement Date and continuing during the Term, CHNw shall calculate the profit (or loss) derived from the operation of the Program Facilities and the Programs on a quarterly basis by determining the amount (if any) by which total Program Revenues exceed total Program Expenses for each such calendar quarter. Such determination shall be completed within a reasonable period following the end of each calendar quarter during the Term. Any profit or loss for any such calendar quarter shall be allocated between LCFS and CHNw equally (*i.e.*, on a 50/50 basis). To the extent any profits are payable to the parties for any such calendar quarter, such profits shall be distributed by CHNw to the parties promptly but in any event within thirty (30) days of the date of determination. To the extent that there is a loss for such quarter, such loss shall be recorded by CHNw and allocated as between the parties as described above and may be offset against any profits allocated or payable to either party in any succeeding calendar quarter.

7.07. Cash Shortfall Relating to Profit Distributions. In the event CHNw is required to calculate and to pay any distribution of profits to the parties pursuant to Section 7.06 above and there is then insufficient cash available to pay the full amount of such shortfall in distributable cash, CHNw shall advance funds as necessary to enable the distributions contemplated by Section 7.06 to be made. Interest shall accrue on funds advanced by CHNw in excess of Five Hundred thousand Dollars ($500,000) at CHNw's cost of funds at the time of the advance. Immediately following the end of the first year after the Commencement Date, the Management Oversight Committee shall determine (a) how and when the amount of any accrued cash shortfall in the first year shall be paid; (b) how any shortfall in distributable cash that may occur in respect of any distribution of profit during the remainder of the Term will be addressed; and (c) any other matters related to cash needs of the Program Facilities, Programs and/or parties.

7.08 Medicaid Audit Extrapolation Risk. To the extent that, during the Term, CHNw receives an overpayment demand from the State or an entity contracted by the State based on a Medicaid audit or other recoupment type action relating to Gallahue Mental Health Services that is derived from utilizing an extrapolation methodology across all behavioral health services provided by CHNw to calculate the total amount of overpayment, then the Program Expenses shall include an amount necessary to satisfy the portion of such overpayment that may be attributed to the operation of the Program Facilities and Programs hereunder based on the Medicaid services included therein, as a percentage of all of the behavioral health services provided by CHNw (including relating to the operation of the Program Facilities and the Programs hereunder). For example, if the State were to determine as the result of an audit that five percent (5%) of $10,000,000 in claims payments to Gallahue (*i.e.*, $500,000) needed to be

recouped, of which one percent (1%) of the five percent (5%) (or twenty percent (20%) of the total amount to be recouped) was an extrapolation from claims relating to the Programs and LCFS represented five percent (5%) of the total Gallahue claims payments (*i.e.*, $500,000) then LCFS would be responsible for $5,000 of the repayment (*i.e.*, $500,000 X 5% X 20%).

ARTICLE VIII
ACCOUNTING; FINANCIAL RECORDS; AUDITS; BUDGET

8.01 Accounting and Financial Records. Beginning on the Commencement Date and during the Term, CHNw 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 operation and financial results of the Program Facilities and the Programs, and shall prepare monthly, quarterly and annual financial reports as specified by the Management Oversight Committee in accordance with the requirements of Exhibit B attached hereto. Such records shall be kept in accordance with GAAP. LCFS shall be responsible for submitting all information and data regarding any Program Expenses incurred by LCFS on a timely basis so that CHNw can timely perform its obligations under and prepare reports to the Management Oversight Committee pursuant to this Agreement, including allocating profits and losses pursuant to Section 7.06.

8.02 Access; Audit. Beginning on the Commencement Date and during the Term, each of LCFS and CHNw agrees that it will permit the other party and the other party's independent accountants, on reasonable notice and during normal business hours, to examine such party's business and financial records relating to the performance by such party of its obligations under this Agreement, including the occurrence by such party of any Program Expenses, in connection with an annual financial audit of such party. Any such examination by LCFS or CHNw or its respective independent accountants shall be conducted at the other party's principal offices unless otherwise agreed by such other party. Any and all costs and expenses associated with such examination shall be borne by the party requesting or requiring such examination.

8.03 Annual Budget. Subject to this Section 8.03, CHNw shall, no later than thirty (30) days before the end of each Fiscal Year during the Term, deliver to the Management Oversight Committee for approval: (a) a draft annual operating budget for the next Fiscal Year for the Program Facilities and the Programs (each, an "Annual Budget"); and (b) an estimate of Program Revenues and Program Expenses for each calendar quarter during the next Fiscal Year; provided, however, that the parties agree that the Annual Budget for the first fiscal year beginning January 1, 2013 shall be as set forth in Exhibit C.

ARTICLE IX
REPRESENTATIONS, WARRANTIES AND GENERAL COVENANTS OF LCFS AND CHNW

9.01 Representations and Warranties of LCFS and CHNw. To induce the other to execute and perform its respective obligations under this Agreement, each of LCFS and CHNw represents and warrants to the other that:

(a) it is: (i) duly organized, validly existing and in good standing under the laws of its respective jurisdiction of organization; (ii) duly qualified to do business and in good standing in each other jurisdiction where the conduct of its business requires such qualification, except where the failure to be so qualified would not have a material adverse effect on its respective business or operations; (iii) in compliance with all laws, rules and regulations applicable to it, and all material contracts to which it is a party, except, in either case, to the extent that any non-compliance, individual or in the aggregate, would not have a material adverse effect on its respective business or operations; and (iv) has: (A) the requisite power and authority and the legal right to execute, deliver and perform its respective obligations under this Agreement, and to conduct its business as now, heretofore or proposed to be conducted; and (B) all licenses, permits, franchises, rights, powers, consents or approvals from or by all third parties or Governmental Authorities having jurisdiction over it which are necessary or appropriate for the conduct of its respective business;

(b) the execution, delivery and performance by it of its obligations under this Agreement: (i) are and will continue to be within its respective power and authority; (ii) have been and will continue to be duly authorized by all necessary or proper action; (iii) are not and will not be in violation of any law, rule or regulation applicable to it or any material contract to which it is a party; (iv) do not and will not result in the creation or imposition of any lien or encumbrance against any of its respective assets or properties (real or personal); and (v) do not and will not require the consent or approval of any Governmental Authority or any third party; and

(c) this Agreement has been duly executed and delivered on behalf such party, and constitutes the legal, valid and binding obligation of such party, enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other similar laws affecting creditors' rights generally.

9.02 Confidentiality; Trade Secrets.

(a) The parties agree that the terms and conditions of this Agreement shall remain confidential unless otherwise required by applicable law to be disclosed. The parties shall not distribute this Agreement or any part thereof or reveal any of the terms of this Agreement to any Person, other than to their employees or agents or to any Affiliate. The parties acknowledge and agree, however, that this Agreement may need to be disclosed to the Internal Revenue Service in order to obtain or maintain tax-exempt status or otherwise. The parties also acknowledge that it may be desirable to disclose this Agreement for other legitimate business purposes. In the event a party wishes to disclose all or part of this Agreement to a third party,

including the Internal Revenue Service, the party seeking disclosure will serve written notice of intent to disclose on the other party. Such disclosure shall not relieve the disclosing party of its obligations under this Section 9.02.

(b) The parties understand and agree that each party to this Agreement, and its counsel, accountants and other representatives, will, at certain times, have access to trade secret information and the parties agree to conform their conduct, and that of their counsel, accountants and other representatives, to the requirements of the Indiana Trade Secrets Act (Indiana Code § 24-2-3) ("ITSA") . No party will misappropriate (*e.g.*, use or disclose to any third party) any trade secret of another party as defined in ITSA. The parties recognize that the penalties for a trade secret violation can include disgorgement of profits, payment of royalties, compensatory damages, punitive damages and attorneys' fees. Each party understands that it may ask the other party to this Agreement to render an opinion as to whether such party considers certain knowledge to be a trade secret, if such a question should arise. Each party understands that upon termination of this Agreement for any reason, it will continue to be prohibited at any time from misappropriating any trade secret of another party.

(c) Each party agrees that, during the Term and thereafter, no party will use, disclose, cause to be disclosed or otherwise allow to be disclosed, any Confidential Information or other proprietary information of the other party that, while not a "trade secret" under the Indiana Trade Secrets Act, possesses independent economic value to such party from not being generally known by others who can obtain economic value from its disclosure or use. Each party understands that it may ask the other party to this Agreement to render an opinion as to whether such party considers certain knowledge to be Confidential Information or other proprietary information, if such a question should arise.

(d) Upon termination of this Agreement for any reason, each party agrees to return all Confidential Information and other proprietary and trade secret information and property of the other party received in connection with the transactions and undertakings contemplated by this Agreement, including but not limited to all books, records, contracts, documents, insurance policies and other information, and any other proprietary data or objects acquired through the provisions of this Agreement; provided, however, that one copy of any documents containing Confidential Information or other proprietary or trade secret information may be retained in the files of the receiving party's outside counsel as long as such files are restricted from access by the receiving party and its representatives (other than the outside counsel); and, provided, further, that the receiving party may have access to those documents in the case of any dispute between or among the parties regarding the enforcement of any alleged agreement between or among the parties. Notwithstanding the return by the receiving party of any documents containing Confidential Information or other proprietary and trade secret information, the receiving party will continue to be bound by its obligations of confidentiality and other obligations under this Agreement.

(e) For purposes of this Agreement, the term "Confidential Information" or any reference to any other proprietary or trade secret information of either party will not include information: (i) that is or becomes available to the public other than as a result of wrongful act or omission by the party to this Agreement to which it was disclosed; (ii) that is independently developed by the party to this Agreement to which it was disclosed; (iii) that was known by the

party to this Agreement to which it was disclosed prior to the disclosure of it to that party; and (iv) that was disclosed to a party to this Agreement by a Person or entity (other than a party to this Agreement or any of its agents) that was not known by the party to which it was disclosed to be bound by a confidentiality agreement with, or other obligation of secrecy to, the other party to this Agreement with respect to the information that was disclosed; or (v) that is required to be disclosed by law or legal proceeding; provided however, that any information that otherwise would constitute Confidential Information will not be deemed Confidential Information as between the parties to this Agreement to the extent that the information results from joint or collaborative efforts or involvement of employees of more than one party to this Agreement, in which case the information will be deemed to be the mutual property of the parties to this Agreement.

(f) Notwithstanding anything to the contrary in this Agreement, any Confidential Information which constitutes "protected health information" as defined in HIPAA shall be maintained by the parties in accordance with the provisions of HIPAA, and, to the extent there is a conflict between such provisions and the terms of this Agreement governing Confidential Information with respect to protected health information, the provisions of HIPAA shall control with respect to such protected health information.

9.03 Conduct of Operations. During the period between (and including) the Execution Date and the Commencement Date: (a) without the prior written consent of the other party, neither party will take any action that would cause any of its representations or warranties in this Agreement not to be true and correct as of the Commencement Date; (b) LCFS shall: (i) operate the Program Facilities and the Lutherwood Programs in the ordinary course in a manner consistent with past practice and policies and in compliance with all applicable Requirements of Law; and (ii) use reasonable, good faith efforts to preserve intact the Program Facilities and the Lutherwood Programs, and all licenses, permits, accreditations, contracts and grants of LCFS pertaining thereto; (iii) use commercially reasonable, good faith efforts to maintain the Program Facilities in their current condition, ordinary wear and tear excepted; and (c) CHNw shall: (i) operate the CHNw Programs in the ordinary course in a manner consistent with past practice and policies and in compliance with all applicable Requirements of Law; and (ii) use reasonable, good faith efforts to preserve intact the CHNw Programs, and all licenses, permits, accreditations, contracts and grants of LCFS pertaining thereto.

9.04 Covenant Not to Compete. During the Term and for a period of two (2) years after the expiration or termination of this Agreement for any reason except in the event of termination of the Agreement by CHNw following an event described in Section 10.02(f) (in which case the provisions of this Section 9.04 shall not apply), CHNw agrees that it shall not provide secure youth residential services (the "Competing Services") within the Non-Compete Area (as defined below); provided, however, that it shall not constitute a violation of this Section 9.04 if CHNw affiliates with another provider that offers Competing Services, including in the Non-Compete Area, so long as CHNw does not manage such Competing Services. Notwithstanding anything in this Agreement to the contrary, this Section 9.04 shall not apply to nor prohibit CHNw from providing any services or owning, managing or operating any facilities or programs that are provided, owned, managed or operated by CHNw, directly or indirectly, on the Commencement Date. For the purposes hereof, the term "Non-Compete Area" means the

geographic area including the following counties in Indiana: Marion, Boone, Hamilton, Hancock, Johnson, Shelby, Morgan, and Hendricks.

9.05 New Programs. From time to time during the Term: (a) LCFS may seek to develop new programs and/or services to be operated out of Program Facilities beyond the Lutherwood Programs; and (b) CHNw may seek to develop new youth residential programs outside the Non-Compete Area (each a "New Program"). Each of LCFS and CHNw agrees that, before it independently pursues any idea for a New Program, it shall present such idea to the other party, and the parties shall mutually discuss and have a right of first refusal to pursue such New Program jointly under the auspices of this Agreement or pursuant to a separate written agreement between them. If the parties cannot agree to jointly pursue any New Program within sixty (60) days of the presentation of such proposed New Program by either party to the other, then the party originating the idea for the New Program shall be entitled to pursue such New Program without the involvement of the other party and independent of either party's obligations and commitments under this Agreement.

9.06 Insurance. During the Term, each of LFCS, on the one hand, and CHNw, on the other hand, agrees to maintain in full force and effect policies of commercial general liability insurance, professional liability insurance and/or workers' compensation insurance, in each case having substantially the same limits as shall be in place immediately prior to the Commencement Date and otherwise having deductibles and co-insurance amounts as are reasonable under the circumstances, provided, however, workers' compensation insurance limits for LCFS shall be adjusted to reflect the employees employed after the Commencement Date.

ARTICLE X
TERM; TERMINATION OF AGREEMENT

10.01 Term. This Agreement shall become effective on the Execution Date and, unless earlier terminated in accordance with Section 10.02, shall continue for a period of five (5) years after the Commencement Date (the "Initial Term"); provided, however, that beginning on the date that is eighteen (18) months prior to the expiration of the Initial Term, either party shall be entitled to provide written notice to the other party of its desire to extend the Initial Term of this Agreement on the same terms and conditions set forth herein for an additional term of five (5) years (such additional term, together with the Initial Term, the "Term"), which extension shall automatically become effective if the other party agrees in writing to such extension request prior to the date that is at least three hundred sixty-five days (365) prior to the expiration of the Initial Term.

10.02 Termination of Agreement. In addition to any termination provisions set forth in other Articles of this Agreement:

(a) this Agreement shall automatically terminate: (i) at the end of the Term; or (ii) on the occurrence of an event described in Section 5.02(a);

(b) either party may terminate this Agreement without cause by giving the other party at least three hundred sixty-five (365) days' prior written notice of such party's intent to terminate this Agreement pursuant to this Section 10.02(b); provided, however, that neither

party may exercise its right to terminate this Agreement pursuant to this Section 10.02(b) until after the third (3rd) anniversary of the Commencement Date;

(c) either party may terminate this Agreement without cause: (i) in the event of a Change in Law that occurs after the Execution Date that: (A) has the effect of causing projected material annual losses from operating the Programs or material capital expenditures by a party or for the Programs taking into account amortization of such capital expenditures directly related to achieving compliance with such Change in Law for the sole purpose of operating the Programs under this Agreement; or (B) adversely impacts the legality of this Agreement; and in any event if the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement to accommodate or mitigate such Change in Law within a period of sixty (60) days; or (ii) as provided in Section 15.03(b);

(d) either party may terminate this Agreement without cause in the event there are material changes related to the Programs outside the control of one or both of the parties that are not the result of a Change in Law but that would result in projected material annual losses from operating the Programs and if the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement to accommodate or mitigate such change to the Programs within a period of sixty (60) days;

(e) the non-breaching party may terminate this Agreement for cause on written notice to the other party if: (i) there is a material breach by CHNw of its obligations under Section 2.04(b)(iv), or (ii) there is a material breach by LCFS of its obligations under Section 3.01(d)(i) and (ii), and such breach is not cured by the breaching party within forty-five (45) days following written notice to the breaching party; provided, however, that if such breach is of the type that is not susceptible to cure within a forty-five (45) day period, and the breaching party has taken affirmative action to pursue a cure within such forty-five (45) day period, then the breaching party shall have an additional period of thirty (30) days to complete cure such breach.

(f) CHNw may terminate this Agreement for cause on written notice to LCFS: (i) upon the removal for any reason of either or both of the CHNw Appointed Board Members from LCFS Board of Directors, including via a reduction in seats on the LCFS Board of Directors if such removal is not cured by LCFS within ten (10) days following notice from CHNw; or (ii) upon the occurrence of any default by the Foundation under the Lease which default continues beyond any applicable grace or cure period and materially and adversely affects the parties' obligations under this Agreement;

(g) either party may terminate this Agreement for cause, immediately and without notice to the other party if: (i) the other party files a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy law, or admits that it is unable to pay its debts as they become due; (ii) the other party consents to an involuntary petition in bankruptcy or fails to vacate, within ninety (90) days from the date of entry thereof, any order approving an involuntary petition; or (iii) any court of competent jurisdiction enters an order, judgment or decree adjudicating the other party as bankrupt or insolvent or approving a petition seeking reorganization or appointing a receiver, trustee or liquidator of a substantial part of such

party's assets, and such order, judgment or decree's continuing unstayed and in effect for an aggregate of sixty (60) days (whether or not consecutive);

(h) either party may terminate this Agreement for cause on written notice to the other party on the occurrence of a Change of Control of such other party in which such other party is not the surviving Person and the parties, negotiating in good faith, are unable to renegotiate the terms of this Agreement as a consequence of such Change of Control within a period of sixty (60) days;

(i) the non-breaching party may terminate this Agreement for cause on written notice to the other party if the other party is in material breach of this Agreement other than as set forth in Sections 10.02 (e), (f), (g) or (h) above and such breach is not cured by the breaching party within forty-five (45) days following written notice to the breaching party; provided, however, that if such breach is of the type that is not susceptible to cure within a forty-five (45) day period, and the breaching party has taken affirmative action to pursue a cure within such forty-five (45) day period, then the breaching party shall have an additional period of thirty (30) days to complete cure such breach.

10.03 Transition upon Expiration or Termination of the Agreement. Unless this Agreement is or shall have been terminated: (x) by either party pursuant to Section 10.02(a)(ii), or (y) by CHNw pursuant to Section 10.02(e)(ii), Section 10.02(f)(ii), Section 10.02(g), or Section 10.02(i), in which case the provisions of this Section 10.03 shall not apply, then LCFS shall have a period of sixty (60) days prior to the expiration or the effective date of any earlier termination of this Agreement (the "Termination Date") to provide written notice to CHNw of LCFS' intention to take back the operation of the Lutherwood Programs hereunder pursuant to the wind-down process set forth in this Section 10.03. In the event notice is timely given, then the parties agree that the following provisions shall apply on or after the Termination Date:

(a) LCFS shall have the option to employ all or any portion of the personnel then providing services in connection with the Programs;

(b) LCFS shall have the option to purchase or finance at fair market value all or any portion of the hard assets owned by CHNw and then used in connection with the operation of the Lutherwood Programs, except the hard assets in the name of CHNw that are used for the Programs, located at the Facilities and have been included in the Program Expenses during the Term shall be transferred to LCFS at fifty percent (50%) of fair market value;

(c) to the extent any permit, license, accreditation, contract or approvals ("Rights to Operate") required in connection with the Lutherwood Programs is then held or was issued in the name of CHNw, then LCFS and CHNw shall use their best efforts to transfer the Rights to Operate to LCFS or to obtain new Rights to Operate in the name of LCFS as promptly as possible and in any event within one hundred eighty (180) days; provided, however, that until LCFS is able to transfer or obtain new Rights to Operate, then it shall have the right, to the extent permissible under applicable Requirements of Law, to operate under the Rights to Operate in CHNw's name;

(d) LCFS and CHNw shall discuss which of them (or whether both of them) will continue to provide community-based services and on what terms, and shall negotiate and execute any and all such agreements or instruments that are necessary to reflect their agreements in this area within sixty (60) days after the Termination Date;

(e) CHNw shall permit LCFS to continue to access CHNw's electronic medical records for a reasonable period for treatment purposes via remote read-only access;

(f) LCFS and CHNw shall as appropriate either terminate or use their best efforts to modify the Lease and any other lease(s) relating to the Program Facilities to recognize the transition of operations described herein;

(g) CHNw shall permit LCFS to access and copy records related to Program Clients not included under subsection (e) above and the copying costs shall be shared by the parties; and

(h) CHNw shall continue to comply fully with the provisions of Section 2.04(v).

To the extent that LCFS is entitled to and has sent written notice on a timely basis to CHNw of LCFS' intent to take back the operation of the Lutherwood Programs hereunder, and the Agreement: (i)(A) is scheduled to expire pursuant to Section 10.02(a)(i); (B) is being terminated by either party pursuant to Section 10.02(b), Section 10.02(c)(ii) or 10.02(h); or (C) is being terminated by LCFS pursuant to Section 10.02(e)(i), Section 10.02(g) or Section 10.02(i), then, taking into account the provisions of (a) to (h) above, the parties shall negotiate in good faith an extension of the Term of this Agreement for a reasonable period (not to exceed one hundred eighty (180) days) on substantially the terms set forth herein to facilitate the continued operation of the Programs hereunder on the terms of this Agreement during the period of transition of the Lutherwood Programs back to LCFS. In addition, prior to or upon expiration or sooner termination of the extension of the Term, LCFS and CHNw shall negotiate in good faith a separate management services agreement and/or transition services agreement (and any other agreements or instruments reasonably related thereto) pursuant to which, for a period to be mutually agreed upon by the parties (but which is not expected to exceed one (1) year), CHNw will provide certain services, including without limitation CHNw Programs and CHNw Support Services, to LCFS on terms and conditions to be agreed upon by the parties.

To the extent that LCFS is entitled to and has sent written notice on a timely basis to CHNw of LCFS' intent to take back the operations of the Lutherwood Programs and this Agreement is otherwise proposed to be terminated by either party under any provision of this Agreement not specifically listed above in the preceding grammatical paragraph (including but not limited to any termination under Section 10.02(c)(i) or 10.02(d)), then, subject to the provisions of (a) to (h) above, the parties agree that this Agreement shall be allowed to terminate in accordance with its terms, and that LCFS and CHNw shall negotiate in good faith a separate management services agreement and/or transition services agreement (and any other agreements or instruments reasonably related thereto) pursuant to which, beginning on the Termination Date and for a period to be mutually agreed by the parties (but which is not expected to exceed one (1) year), CHNw will provide certain services including without limitation CHNw Programs and

CHNw Support Services to LCFS on terms and conditions to be agreed upon by the parties.

ARTICLE XI
INDEMNIFICATION; LIMITATIONS OF LIABILITY; RECOURSE

11.01 Indemnities.

(a) By CHNw. CHNw will defend, indemnify and hold the LCFS Indemnitees harmless from and against any and all Liabilities that are asserted against, or sustained or incurred by, the LCFS Indemnitees as a result of, or in connection with, any breach of or default under this Agreement by CHNw or CHNw's gross negligence, fraud or willful misconduct in the performance of its obligations under this Agreement, except to the extent that such Liabilities are directly attributable to LCFS' gross negligence, fraud, or willful misconduct in the performance of LCFS' duties under this Agreement.

(b) By LCFS. LCFS will defend, indemnify and hold the CHNw Indemnitees harmless from and against any and all Liabilities that are asserted against, or sustained or incurred by, the CHNw Indemnitees as a result of, or in connection with, any breach of or default under this Agreement by LCFS or LCFS' gross negligence, fraud or willful misconduct in the performance of its obligations under this Agreement, except to the extent that such Liabilities are directly attributable to CHNw's gross negligence, fraud, or willful misconduct in the performance of CHNw 's duties under this Agreement.

(c) Insurance Proceeds. Recovery upon any indemnity provided in this Section 11.01 shall be reduced dollar-for-dollar by any applicable insurance collected by the indemnified party with respect to the claims covered by such indemnity.

(d) Survival of Indemnities. The indemnities contained in this Section 10.01 shall survive for a period of one (1) year after the termination of this Agreement.

11.02 No Liability for Special Damages. Neither LCFS nor CHNw shall have any liability for, and each party agrees that it shall not be entitled to recover, and agrees not to seek from the other party and otherwise to waive any claim in respect of, any incidental, consequential, punitive or any other special damages.

11.03 Non-Recourse. To the maximum extent permitted by applicable law, no member, partner, shareholder, officer, director, employee or agent of any party to this Agreement shall have any personal liability with respect to the liabilities or obligations of such party under this Agreement or any document executed by such party pursuant to this Agreement.

ARTICLE XII
REGULATORY AND CONTRACTUAL REQUIREMENTS

12.01 Certain Deficiencies and Non-Compliance. The parties understand and agree that certain deficiencies or situations of non-compliance with various Requirements of Law (including but not limited to building codes, OSHA, ADA, health care regulations and the like) are likely to occur from time to time in the normal course of business operations, and that the occurrence of such deficiencies or situations shall not constitute a breach by either party of its

obligations under this Agreement, provided that: (a) they are not materially beyond the general experience of similar facility operations located in the State of Indiana in terms of scope, seriousness, or frequency; and (b) the proper party takes all reasonable actions in a timely manner to cure such deficiencies or non-compliance.

12.02 Equal Employment Opportunity. Without limitation of any provision set forth herein, LCFS and CHNw expressly agree to abide by any and all applicable Federal and/or state equal employment opportunity statutes, rules and regulations, including, without limitation, Title II of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the National Labor Relations Act, the Fair Labor Standard Act, the Rehabilitation Act of 1983, and the Occupational Safety and Health Act of 1970, all as may be from time to time modified or amended.

12.03 Equal Housing Opportunity. Without limitation of any provision set forth herein, LCFS and CHNw expressly agree to abide by any and all applicable Federal and/or state equal housing opportunity statutes, rules and regulations, all as may be from time to time modified or amended.

ARTICLE XIII
INTELLECTUAL PROPERTY

13.01 Business and Trade Names. During the Term, the Program Facilities and Programs shall be operated and managed under the same business and/or trade names that they were operated under prior to the Execution Date unless otherwise agreed to by the parties.

13.02 Ownership of Intellectual Property. Notwithstanding anything in this Agreement to the contrary, each of LCFS and CHNw shall own and continue to have exclusive rights to all Intellectual Property owned or licensed by it, and except as otherwise expressly set forth in this Agreement, nothing in this Agreement shall confer on either party the right to use any Intellectual Property of the other party.

13.03 Limited Non-Exclusive License. Each of LCFS and CHNw hereby grants to the other party a limited right and license to use the trademarks or tradenames and other Intellectual Property of such party solely in connection with and to facilitate licensee's performance of its obligations under this Agreement and for no other purpose (the "License"). The License shall immediately terminate upon the expiration or termination of this Agreement for any reason and each party that is a licensee shall immediately cease any use of the licensor's trademarks, tradenames or other Intellectual Property under the License; provided, however, that the parties may agree to extend the License or enter into a substantially similar license pursuant to Section 10.03.

13.04 Breach of Covenant. Any party that is a licensor under the License shall be entitled, in the event of any breach by the other party of any covenants under this Article XIII or by others claiming through it, to injunctive relief and to any other right or remedy available at law or in equity. Except as otherwise expressly provided in Section 13.03, the provisions of this Article XIII shall survive the expiration or termination of this Agreement for any reason.

ARTICLE XIV
DISPUTE RESOLUTION

The Parties shall adhere to the following processes with respect to dispute resolution:

14.01 Informal Negotiation. Prior to seeking any judicially imposed remedy for any breach of this Agreement, the parties will first attempt in good faith to resolve any and all disputes, claims or controversies arising out of or relating to this Agreement (a "Dispute") within the Management Oversight Committee. If the Management Oversight Committee is unable to resolve such Dispute within a reasonable period, or if the Management Oversight Committee has reached Deadlock with respect to any matter before the Management Oversight Committee, then the matter shall be referred to CHNw's Chief Operations Executive, or his or her designee, and LCFS' Board President, or the LCFS Board President's designee if the President is a member of the Management Oversight Committee, for negotiation (each, a "Designated Representative"). The Designated Representatives shall negotiate in good faith for a period of up to thirty (30) days to attempt to resolve the Dispute or Deadlock.

14.02 Mediation. In the event the parties are unable to resolve any Dispute or Deadlock via direct negotiations pursuant to Section 14.01, then any party shall be entitled to initiate non-binding mediation of the controversy or claim in accordance with the Rules of Procedure for Mediation (the "Mediation Rules") of the American Health Lawyers Association's Alternative Dispute Resolution Service (the "AHLA Dispute Resolution Service"); provided, however, that the initiation of mediation pursuant to this Section 14.02 shall occur within thirty (30) days after the expiration of the last thirty (30) day period referenced in Section 14.01; provided, further, that in no event will the party desiring to initiate non-binding mediation be required to first initiate legal proceedings. A single mediator engaged in the practice of law, who is knowledgeable about healthcare law, will conduct the mediation under the then current Mediation Rules. The mediation will be held in Indianapolis, Indiana.

14.03 Arbitration. In the event that any Dispute or Deadlock shall have occurred and remain unsettled through application of the dispute resolution processes described in Sections 14.01 and 14.02, then either party shall be entitled to request that such Dispute or Deadlock be settled by binding arbitration before a panel of three (3) arbitrators selected as follows. Each party shall appoint an arbitrator who is experienced in healthcare law and the two arbitrators shall select a third arbitrator with similar experience (the "Arbitration Panel"). The Arbitration Panel shall sit in Indianapolis, Indiana, the arbitration shall be conducted in accordance with the Rules of Procedure for Arbitration (the "Arbitration Rules") of the AHLA Dispute Resolution Service and judgment on the award may be entered in any court having jurisdiction thereof or over the applicable Party or its assets. The decision of the Arbitration Panel shall be made in a written opinion setting forth the facts found by the Arbitration Panel and discussing the legal basis and other reasons on which the decision is based. The fees of the arbitrator appointed by the parties shall be paid by the party appointing the arbitrator and the fees of the third arbitrator and the costs of the arbitration shall be shared equally by the parties, unless the Arbitration Panel determines that compelling reasons exist for allocating all or a portion of such fees to the other party. Each party shall be responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the Arbitration Panel determines that compelling reasons exist for allocating all or a portion of such costs and expenses to the other party.

ARTICLE XV
MISCELLANEOUS

15.01 Cooperation. Each of LCFS and CHNw agrees to cooperate with each other in the performance of this Agreement and the transactions contemplated herein and shall use commercially reasonable business efforts to take all actions to consummate the transactions contemplated in this Agreement. Should any claim, demand, suit or other legal proceeding be made or instituted by either party which arises out of any of the matters relating to this Agreement, each party shall give the other all non-privileged and pertinent information possessed by or under the control of such party and reasonable assistance in the defense or other disposition thereof. In addition, in each instance where a party's performance of its obligations under this Agreement is dependent on receiving the cooperation of the other party, the other party shall promptly cooperate and provide the requested assistance.

15.02 Further Assurances. The provisions of this Agreement 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 either party, the party requested shall execute such additional instruments and take such additional acts as the requesting party may deem necessary to effectuate this Agreement.

15.03 Force Majeure.

(a) Subject to Section 15.03(b), neither party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent: (i) the default or delay is caused, directly or indirectly, by a Force Majeure event; (ii) the non-performing party is without fault; and (iii) the default or delay could not have been prevented by reasonable precautions. In such event, the non-performing party is excused from further performance for as long as such circumstances prevail and the party continues to use its best efforts to recommence performance. Any party so delayed shall notify the party to whom performance is due and describe the circumstances causing the delay.

(b) If a Force Majeure event substantially prevents or delays either party's performance under this Agreement (in whole or in part) for more than ninety (90) consecutive days resulting in material adverse effects on operating the Programs under this Agreement, then either party, at its option, may terminate the Agreement as of a date specified by such party in a notice to the other party without incurring any liability of any kind; provided, however, the parties, negotiating in good faith, are unable to renegotiate the terms of the Agreement to accommodate the adverse effects of the Force Majeure by the end of the same ninety (90) consecutive day period set forth above.

15.04 Notices. Any and all notices, including any demands, consents, approvals, offers, elections and other communications required or permitted under this Agreement shall be deemed adequately given if in writing, addressed to the recipient of the notice at the addresses set forth below (or to such other addresses as the parties may specify by due notice to the others parties) and if delivered either (a) in hand, in which case it will be deemed delivered on the date of delivery or on the date delivery was refused by the addressee, (b) by United States mail, postage prepaid, registered or certified, with return receipt requested, in which case it will be deemed

delivered on the date of delivery as established by the return receipt (or the date on which the return receipt confirms that acceptance of delivery was refused by the addressee), (c) by Federal Express or similar expedited commercial carrier, with all freight charges prepaid, in which case it will be deemed delivered on the date of delivery as established by the courier service confirmation (or the date on which the courier service confirms that acceptance of delivery was refused by the addressee), or (d) by facsimile transmission with a hard copy to follow by any of the other methods above, in which case it will be deemed delivered on the day and at the time indicated in the sender's automatic acknowledgment. If a notice is sent to a party, then copies of such notice under this Section shall also be sent by the same delivery method to the copy recipients. Whenever under this Agreement a notice is required to be delivered on a day which is not a Business Day or is required to be delivered on or before a specific day which is not a Business Day, the day of required delivery shall automatically be extended to the next Business Day. All such notices shall be addressed as follows:

LCFS: Lutheran Child and Family Services of Indiana/Kentucky, Inc.
1525 North Ritter Avenue
Indianapolis, IN 46219
Attention: Chief Executive Officer
Telephone: 317-359-5467

Copy to: Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, IN 46204
Attention: Robert P. Kassing
Telephone: 317-684-5147

CHNw: Community Health Network, Inc. d/b/a Gallahue Mental Health Services
7330 Shadeland Station
Indianapolis, IN 46256
Attention: Chief Operations Executive
Telephone: 317-355-5930

Copy to: Epstein Becker & Green, P.C.
1227 25th Street, NW
Suite 700
Washington, DC 20037
Attention: Katherine R. Lofft, Esq.
Telephone: 202-861-0900

Notices, demands, requests, consents, approvals, offers, elections and other communications given by an attorney named above on behalf of its client and sent to the other party to this Agreement in the manner set forth in this Section shall have the same effect as if given by a party to this Agreement. Notwithstanding anything to the contrary contained in this Agreement, it is understood that notices to each party's outside counsel shall be given as a courtesy only and failure to provide such notice shall not in any way affect or diminish the validity of the notice given to any party under this Agreement. By notice given as provided in

this Section, the parties to this Agreement and their respective successors and assigns shall have the right from time to time to change their respective addresses effective five (5) Business Days after the date of receipt by the other parties of such notice and each party shall have the right to specify as its address any other address within the United States of America.

15.05 Severability. If any term or provision of this Agreement or the application thereof to any Person or circumstance is held to be invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

15.06 Gender and Number. Whenever the context of this Agreement 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.

15.07 Division and Headings. The divisions of this Agreement 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 Agreement.

15.08 Entire Agreement; Amendment. This Agreement supersedes all prior drafts and discussions relating to this Agreement. This Agreement constitutes a single unified agreement and shall be construed and interpreted in light of all such other agreements between the parties. All prior representations or agreements not expressly incorporated herein, whether written or verbal, are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by both parties hereto. Subject to Section 6.04(c), any amendment, modification, revision or supplement to this Agreement shall be effective only if in writing and signed by an authorized representative of each of LCFS and CHNw.

15.09 Assignment. Neither party shall have the right to assign its rights or delegate all of its responsibilities under this Agreement, including by operation of law, without the prior written consent of the other party, which may be granted or withheld in such other party's sole discretion; provided, however, that either party may delegate any of its specific obligations under this Agreement to a subcontractor to the extent expressly permitted by this Agreement, without the prior written consent of the other party.

15.10 Relationship Between the Parties. The relationship between LCFS and CHNw pursuant to this Agreement shall not be one of general agency, but shall be that of LCFS with CHNw being an independent contractor; provided, however, that CHNw shall have the authority to bind LCFS with respect to third parties to the extent CHNw is performing the obligations CHNw is expressly authorized to perform under this Agreement; provided further,, such authority to bind LCFS shall exclude matters arising out of or relating to LCFS' requirements under Section 3.01. Neither this Agreement nor any agreements, instruments, documents or transactions contemplated hereby shall in any respect be interpreted, deemed or construed as making LCFS a partner or joint venturer with CHNw or as creating any similar relationship or

entity, and each party agrees that it will not make any contrary assertion, contention, claim or counterclaim in any action, suit or other legal proceeding involving the other.

15.11 Counterparts. This Agreement may be executed counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

15.12 Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of Indiana without regard to any conflict or choice of law principles that would result in the application of the laws of another jurisdiction.

[*Remainder of page intentionally left blank;*
Signatures appear on next page]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized representative to execute this Management Services Agreement as of the Execution Date set forth above.

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

By: Lewis D Beckwith
Name: Lewis D. Beckwith
Title: President

COMMUNITY HEALTH NETWORK, INC. D/B/A GALLAHUE MENTAL HEALTH SERVICES

By:
Name: Robert Blandford
Title: Chief Operating Officer

[Signature Page to Management Services Agreement]

SCHEDULE 1

DEFINITIONS

"Affiliate" means a Person, which controls, is controlled by, or is under common control with another Person. For purposes of this definition, the term "control" (and the related terms "controlled" and "controlling") means the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interest, by contract or otherwise. A Person shall not be deemed to be under common "control" with another Person solely based on the fact that one or more Person(s) serve as a director of both Persons.

"Agreement" means this Management Services Agreement and any amendments thereto as may be from time to time agreed to in writing by the parties.

"Annual Budget" has the meaning set forth in Section 8.03.

"AHLA Dispute Resolution Service" has the meaning set forth in Section 14.02.

"Arbitration Panel" has the meaning set forth in Section 14.03.

"Arbitration Rules" has the meaning set forth in Section 14.03.

"Business Day" means any day other than Saturday, Sunday or any other day on which banks or savings and loan associations in the State of Indiana are not open for business.

"Capital Call" has the meaning set forth in Section 6.07.

"Change in Law" means any: (a) applicable federal or state law or regulation enacted after the Execution Date; (b) change in any existing applicable federal or state law or regulation; (c) change in judicial or administrative interpretation of any applicable federal or state law or regulation; or (d) change in the enforcement of any applicable federal or state law or regulation, in each case occurring after the Execution Date.

"Change of Control" means, with respect to any Person the occurrence of any one or more of the following: (a) the consummation of one or a series of related transactions or events in which the Board of Directors of any Person loses the ability to elect or appoint the majority of such Board of Directors; or (b) the consummation of a reorganization, merger, consolidation or sale or disposition of all or substantially all of the assets and properties of such Person.

"Chief Operations Officer" has the meaning set forth in Section 6.05.

"CHNw Appointed Board Members" has the meaning set forth in Section 2.05.

"CHNw Committee Representatives" has the meaning set forth in Section 6.01(a).

"CHNw Indemnitees" means CHNw and its Affiliates and their respective members, trustees, directors, officers, agents and employees, and any of their respective successors or assigns, or any of them individually.

"CHNw Programs" has the meaning set forth in the Recitals of this Agreement

"CHNw Support Services" has the meaning set forth in Section 2.04(b)(ii).

"CMHC" has the meaning set forth in Section 2.04(b)(iv).

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1986 as amended from time to time, and any successor legislation thereto.

"Commencement Date" means January 7, 2013 or such other date as may be agreed upon by LCFS and CHNw; provided, however, that on and as of such date: (a) all of the representations and warranties of LCFS and CHNw set forth in Article IX are true and correct with respect to such entity, respectively, as if made on such date; (b) the parties are and shall have been in compliance with the covenants set forth in Section 9.03 since the Execution Date; (c) there is no claim, demand, suit or other legal proceeding (including any order or injunction) that would prevent consummation of the transactions described in this Agreement as of such date; and (d) any and all governmental and third party consents and approvals required to consummate the transactions described in this Agreement as of such date shall have been received. The proviso shall be deemed satisfied for purposes of establishing the Commencement Date if each party shall deliver to the other a certificate dated as of January 7, 2013 which confirms that clauses (a) through (d) above have been satisfied with respect to such party. Each party shall deliver such a certificate if it can do so in good faith.

"Competing Services" has the meaning set forth in Section 9.04.

"DCS" has the meaning set forth in Section 4.04.

"Deadlock" has the meaning set forth in Section 6.03.

"Dispute" has the meaning set forth in Section 14.01.

"Execution Date" has the meaning set forth in the Preamble of this Agreement.

"Excluded Program" means the Spiritual Growth program which currently includes activities conducted and sponsored by LCFS' Spiritual Advisory Committee ("SAC"). These services are usually referred to as the SEED program (Spiritual Engagement and Educational Development). The services of the SEED program currently include clients' spiritual assessments, which are placed in the client clinical data base; devotions which are emailed to staff; spiritual counseling of clients and, when requested of staff, praying with clients and staff; chapel services for clients and their families and staff led by community Lutheran pastors; sending services for successfully discharged clients and for staff as requested; blessing services for clients and staff; spiritual education, including Bible studies led by chaplains and/or volunteers or staff; attendance at administrative meetings and clinical meetings to provide spiritual perspectives; addressing new employees on the culture of spiritual care at LCFS; visits

by church groups, pastors, and individual volunteers to clients for special activities such as Sunday night youth groups or for spiritual mentoring; hosting meetings of community church groups, such as congregations, pastors, teachers, and youth leaders; and provision of information to churches and the larger community in regard to SEED.

"Facility" has the meaning set forth in the Recitals to this Agreement.

"Fair Market Value" has the meaning set forth in Section 9.07.

"Fiscal Year" means the calendar year.

"Force Majeure" means any one or more of the following events outside the reasonable control of a party: (a) Acts of God; (b) strike, lockouts, actions of labor unions or other labor trouble; (c) sabotage; (d) fire or casualty; (e) order or regulation of or by any Governmental Authority (other than orders or regulations of a Governmental Authority resulting from the obligated party's non-compliance with typical and ordinary health, licensing and construction laws, rules or regulations); (f) acts or omissions of any Governmental Authority (including delays in obtaining any required licenses, permits or approvals, provided such permits were timely and accurately submitted to the applicable Governmental Authority); (g) war (declared or undeclared), acts of terrorism, riot, acts of the public enemy or other civil commotion; (h) rebellions, riots, insurrections or sabotage; and (i) shortage of labor, materials or supplies; provided, however, that a lack of financial resources or a failure to comply with applicable Requirements of Law shall never be excused.

"Foundation" has the meaning set forth in the Recitals.

"GAAP" means U.S. generally accepted accounting principles as applied by CHNw.

"Governmental Authority" means any federal, state, county or municipal government, or political subdivision thereof, any governmental agency, authority, board, bureau, commission, department, instrumentality, or public body, or any court or administrative tribunal.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as the same may be amended from time to time, together with any successor statute thereto and all of the rules and regulations promulgated from time to time thereunder.

"Intellectual Property" means patents, copyrights, trade secrets, trademarks, trade names, service marks, confidential information and other know-how, including but not limited to: (a) marketing and management intangibles, (b) computer software; and (c) manuals, instructions, policies, procedures and directives.

"Initial Term" has the meaning set forth in Section 10.01.

"LCFS CEO" has the meaning set forth in Section 4.04.

"LCFS Committee Representatives" has the meaning set forth in Section 6.01(b).

"LCFS Indemnitees" means LCFS and its Affiliates and their respective members, trustees, directors, officers, agents and employees, and any of their respective successors or assigns, or any of them individually.

"LCFS Support Services" has the meaning set forth in Section 3.01(c).

"Lease" has the meaning set forth in the Recitals of this Agreement.

"License" has the meaning set forth in Section 13.03.

"Liabilities" means any and all loss, costs, liability, damage, debts, liens, claims, causes of action, administrative orders or notices, fines, penalties or expenses, including, without limitation, engineers fees, reasonable out-of-pocket attorneys' fees and expenses and the cost of litigation.

"Lutherwood Programs" has the meaning set forth in the Recitals of this Agreement.

"Management Oversight Committee" has the meaning set forth in Section 6.01.

"Mediation Rules" has the meaning set forth in Section 14.02.

"New Employees" has the meaning set forth in Section 4.02.

"New Program" has the meaning set forth in Section 9.05.

"Non-Compete Area" has the meaning set forth in Section 9.04.

"Program Clients" has the meaning set forth in Section 2.04(b)(i).

"Program Expenses" has the meaning set forth and shall be calculated as described in Exhibit B.

"Program Facilities" has the meaning set forth in Section 5.01.

"Program Revenues" has the meaning set forth and shall be calculated as described in Exhibit B.

"Programs" has the meaning set forth in the Recitals of this Agreement.

"Person" means any individual, partnership, corporation, limited liability company, trust or other legal entity.

"Requirements of Law" means any law, code, rule, ordinance, regulation, license, certificate or order of any Governmental Authority, including any resident care or health care, building, zoning or use laws, ordinances, regulations or orders, environmental protection laws, employment laws, occupational health and safety laws and fire department rules.

"Shortfall" has the meaning set forth in Section 7.07.

"Term" has the meaning set forth in Section 10.01.

"Treatment Services" has the meaning set forth in Section 2.04(b)(i).

EXHIBIT A-1

LUTHERWOOD PROGRAMS

(1) Lutherwood Treatment Center: Lutherwood Residential Treatment Center provides care and treatment of children who exhibit chronic behavioral and/or emotional problems. The center holds a Private Secure Care License for 73 beds. A licensed group home, Trinity House, serves up to 10 youth with an independent living program.

(2) K-12 Public School Partnership: This partnership with Indianapolis Public Schools, Lutherwood Academy, offers residents of Lutherwood Residential Treatment Center the opportunity to attend a full day of school within a secure, treatment-centered environment. As a satellite program of Indianapolis Public Schools, Lutherwood Academy serves students with general and special education needs from kindergarten through twelfth grade. Students may participate in a credit recovery program. Eligible students may work towards a GED. Students work with the Education Coordinator towards a transition plan to return to the community school setting. In addition, LCFS provides over 6600 square feet. of space and maintenance / cleaning services for the IPS ROOTS program pursuant to a contract with IPS.

(3) Emergency Shelter Care: This service provides a licensed 24-hour temporary shelter which offers a safe and therapeutic option for up to 16 youth ages 12-18. These youth are in need for a variety of reasons, including runaway situations, endangerment through abuse or neglect or parental refusal to pick up a child from law enforcement or court. The program is licensed by the State of Indiana.

(4) Community-Based Services: These services consist of family strengthening home-based counseling and case management to youth and their families, including crisis management services, supervised visitation, out-patient substance use counseling and assessment. In addition to these DCS contracted services, LCFS provides domestic violence victims counseling and other counseling services to meet the unique needs of individuals and families.

(5) Community Alternatives to Psychiatric Residential Treatment (CA-PRTF): A home-based program designed to assist youth with serious emotional challenges with the collaboration of the family. This service may also include respite care for caregivers, crisis management and intervention, as well as, training for family and friends.

(6) YouthBuild Indy: This is a partnership with the Indianapolis Private Industry Council, Indiana Department of Workforce Development and the Department of Labor for an intensive 9-month program that prepares youth, 18-24, for successful entry into the adult workforce.

Note: The individuals providing services for the Youth Build Indy Program shall be employed by LCFS until such time as the parties determine that the individuals may become employed by CHNw. The revenue and expenses associated with the Youth Build Indy Program shall be treated as Program Revenue and Program Expense, respectively.

EXHIBIT A-2

CHNw PROGRAMS

(1) Youth Community Based Services: An extensive community-based treatment and case management service that consists of family strengthening home-based counseling and case management to youth (infants to 18 years) and their families. This includes crisis management services for youth and families to meet basic needs and maintain a unified household; provided, however, that for purposes of this Agreement, this excludes CHNw's wrap-around facilitation functions.

(2) Services provided to Program Clients:

(a) Initial Psychiatric Assessment

(b) Mental Health Level of Need Redetermination

(c) Individual, group and family psychotherapy

(d) Addiction Counseling

(e) Crisis Intervention Counseling

(f) Case management services

(g) Child and Adolescent Intensive Resiliency Services

(h) Intensive Outpatient Treatment

(i) Psychiatric Evaluations

(j) Medication Training and Support

(k) Skills Training and Development

(l) Medicaid Rehabilitation Option ("MRO") Eligibility Assessments

(m) All clinical services approved by Indiana Department of Children's' Services for LCFS and CHNw to provide

EXHIBIT B

CALCULATION OF PROGRAM EXPENSES AND PROGRAM REVENUES

Program Expenses.

(a) "Program Expenses" means any and all costs and expenses incurred by CHNw or LCFS and contemplated by this Agreement, including without limitation costs and expenses attributable to operation of the Programs, operation or use of the Program Facilities or otherwise to perform or comply with the terms of this Agreement during the Term. Without limiting the foregoing, such costs and expenses shall include the following:

- costs of inventory and supplies used in the operation of the Program Facilities and the Programs;

- costs to prevent, cure or correct any violation of federal, state or municipal laws, ordinances, regulations, restrictive covenants or orders or the rules of the Indiana State Fire Marshall with respect to the Program Facilities;

- costs under service contracts relating to the CHNw Support Services and the LCFS Support Services;

- costs payable to third parties for auditing, tax preparation, accounting and legal services with respect to the Program Facilities and the Programs;

- reasonable fees and expenses of audit, legal, technical and other independent professionals or other third parties who are retained by CHNw or LCFS to perform services required or permitted hereunder

- reasonable fees and expense of technical consultants and operational experts who are employees of CHNw or LCFS or their respective Affiliates and who perform specialized services (*i.e.*, services not otherwise required to be provided by CHNw or LCFS hereunder for and in consideration of the fees payable hereunder) in connection with the Program Facilities or the Programs, including in connection with the CHNw Support Services or the LCFS Support Services; provided, however, that the costs and expenses so incurred shall only be Program Expenses to the extent such costs and expenses are reasonable and competitively priced, as compared to similar work done by outside consultants or experts;

- costs incurred for all personnel who provide services relating to or in support of the operation or management of the Program Facilities or the Programs and whose services are entirely allocable to the Program Facilities and/or the Programs, and, with respect to such personnel whose time may be allocable in part to the Program Facilities or the Programs, and to other CHNw, LCFS or Foundation facilities or programs, a reasonable share of the costs of such personnel (determined by factors such as services rendered in a facility and operational complexities), such costs to include salary and wages (including costs of processing, printing and mailing of payroll checks

and W-2 forms), training programs, hiring expenses, payroll taxes, workers' compensation, bonus compensation, incentive compensation, retirement plan payments, travel expenses and other benefits payable (including, for example, health insurance, dental insurance, life insurance and disability insurance) to such personnel;

- costs and expenses under the Lease, including rent, utility, maintenance, repairs, improvements and other costs and expenses of LCFS as lessee thereunder excluding, however, all costs and expenses under the Lease attributable to the Chapel, notwithstanding any provision to the contrary in this Agreement;

- costs payable to third parties for printed forms and supplies required for use at the Program Facilities;

- costs payable to third parties for printed checks and bank account(s) maintained by CHNw or LCFS in accordance with this Agreement with respect to the Program Facilities or the Programs;

- costs of insurance for the Programs and the Program Facilities, which include: insurance premiums; the ultimate costs of self-insured losses and deductibles; claims administration costs; risk management costs; and other program costs including premium taxes, fronting fees, unemployment self-insurance assessments, collateral fees and surety bonds supporting self-insurance programs, and broker fees;

- costs incurred by either party for electronic data processing equipment, systems, software or services used at the Program Facilities, including procurement, maintenance and upgrades thereto;

- costs incurred by CHNw or LCFS for comprehensive crime insurance or fidelity bonds for employees working in the Program Facilities;

- any other costs, fees or expenses arising from or relating to the operation or management of the Program Facilities or the Programs and which CHNw or LCFS is authorized to incur in accordance with the terms and conditions set forth in this Agreement;

- bad debt, including without limitation, aged accounts receivable, returned checks, installment payment arrangements, etc. Bad debt shall be calculated consistent with CHNw's bad debt policy;

- interest accrued by either party in accordance with Section 7.07; and

- costs and expenses under the sublease set forth in Section 5.01(b).

(b) Program Expenses shall include expenses for CHNw Support Services, LCFS Support Services, and personnel of LCFS or CHNw allocated in part to Programs and Program Facilities and in part to functions unrelated to this Agreement to the extent approved from time to time by the Management Oversight committee. At a party's request, the other party shall

provide an analysis of the formula and methodology employed by the party in determining the expenses submitted to the Management Oversight Committee for approval.

Program Revenues.

(a) "Program Revenues" means, for any measurement period, all revenues and receipts of every kind, including reimbursements, derived from operating the Program Facilities and the Programs, including but not limited to:

- income (from both cash and credit transactions) from occupancy or service fees received from or relating to Program Clients;

- interest received with respect to the monies in any operating account of the Program Facilities;

- income from food and beverage and catering sales;

- income from telephone charges;

- income from vending machines;

- proceeds, if any, from business interruption or other loss of income insurance (to the extent such insurance either reimburses on the basis of gross revenues or otherwise covers all expenses including CHNw's fees), all determined on an accrual basis in accordance with GAAP consistently applied; and

- revenue or receipts from grants and gifts received by LCFS or CHNw and specially designated and restricted for use by or for the Programs and/or Program Facilities, excluding such revenue or receipts designated and/or restricted for use for capital improvements, repairs or replacements for the Leased Premises to be made by the Foundation as landlord under the Lease.

(b) Notwithstanding anything in this Agreement to the contrary, Gross Revenues shall not include:

- gratuities to employees at the Program Facilities;

- federal, state or municipal excise, sales or use taxes or similar taxes imposed at the point of sale and collected directly from residents or guests of the Program Facilities or included as part of the sales price of any goods or services, such as gross receipts or similar taxes;

- any cash refunds, rebates or discounts to Program Clients of the Program Facilities, or cash discounts and credits of a similar nature, given, paid or returned in the course of obtaining Gross Revenues or components thereof;

- proceeds from any sale of the Program Facilities or any part thereof

- proceeds of any financing transaction affecting or involving the Program Facilities;

- security or resident fee deposits until such time as the same are applied to current fees and other charges due and payable;

- awards of damages, settlement proceeds and other payments received by LCFS in respect of any litigation, other than litigation to collect fees due for services rendered from the Program Facilities;

- proceeds of any condemnation;

- proceeds of any casualty insurance, other than loss of rents or business interruption insurance;

- payments under any policy of title insurance;

- income derived from securities and other property acquired and held for investment;

- any contributions made by CHNw or LCFS pursuant to any Capital Call; and

- revenue or receipts from grants, gifts and/or bequests received by LCFS other than grants or gifts (but not bequests) specially designated and restricted for use by or for the Programs and/or Program Facilities as provided in the last bullet of subparagraph (a) above.

EXHIBIT C

YEAR 1 ANNUAL BUDGET

	CONSERVATIVE		PROBABLE		AGGRESSIVE	
Secure	14,879	40.8	15,887	43.5	16,896	46.3
Trinity House	2,920	8.0	2,920	8.0	2,920	8.0
Respite Care	-	-	-	-	-	-
Emergency Shelter	1,460	4.0	2,190	6.0	2,190	6.0
Resident Days	19,259	52.8	21,727	59.5	22,006	60.3
Total LCFS Revenues	$8,804,966		$9,481,627		$ 9,941,421	
Gallahue Comm Based Margin	127,500		127,500		127,500	
TOTAL REVENUES	$8,932,466		$9,609,127		$10,068,921	
Total Salaries and Wages	$3,767,964		$3,794,535		$ 3,839,739	
Total Employee Benefits	1,168,069		1,176,306		1,190,319	
Total General and Admin	1,185,904		1,243,373		1,278,006	
Total Facility	602,640		602,640		602,640	
Total Non-Operating Expenses	1,664,000		1,648,413		1,639,389	
TOTAL EXPENSES	$8,388,576		$8,465,267		$8,550,093	
NET MARGIN YEAR 1	$543,889		$1,143,860		$1,518,828	

COMMUNITY HEALTH NETWORK
CONTRACT APPROVAL
*Denotes Mandatory Fields

*TYPE OF CONTRACT: Amendment to Present M.S.A. set to expire.

*EXTERNAL PARTY NAME: Lutheran Child and Family Services

OWNER CONTACT INFORMATION:

*NAME: George Hurd
*DEPARTMENT: Behavioral Health
*ADDRESS: 7229 Clearvista Parkway
*TELEPHONE: 317-621-7610
*I have verified with Purchasing that this provider is an approved Vendor via VendorMate. GH (Initials)

PURPOSE OF CONTRACT:
This amendment will update and extend the present M.S.A. with Lutheran Child and Family Services.

APPROVALS:

A. *VICE PRESIDENT / SENIOR LEADER OF SERVICE LINE *(Before sending to Legal)*
Reviewed: ____ Approved: ✓
By: [signature] (Signature) 12/20/17 (Date)

B. *CONTRACT DRAFTED BY:
Outside Party [ ] Owner [ ] Legal [X]

C. *LEGAL Date Received: 12/22/17
Reviewed: ____ Approved: ✓
By: [signature] (Signature) 1-3-18 (Date)

D. *FINANCE Date Received: 1/4/2018
Reviewed: ✓ Approved: ✓
By: [signature] (Signature) 1/9/18 (Date)

E. RETURN TO OWNER TO SEND TO EXTERNAL PARTY. EXTERNAL PARTY TO EXECUTE AND RETURN. DISTRIBUTE FULLY EXECUTED COPIES AS FOLLOWS:
1. Original to Legal
2. Copy to All Parties
3. Copy to Owner
4. Copy to Finance or Purchasing (Dependent upon who pays vendor.)

*Is a Business Associate Agreement Required Under The HIPAA Privacy Rule?
YES X NO ____

*COST: $ N/A / ____ (Please Circle: Hr. /Mo./Yr.)

*FORECASTED: Yes x No ____
If No, Please explain:

*TERM: January 7, 20 18 to January 6, 20 23

*PURCHASING APPROVAL
YES ____ NO ____ If No, Why?

OWNERS:
Please attach this completed form and send to:
Cathy Leonard, Legal Dept.
7330 Shadeland Station

APPROVERS:
Please return to Cathy Leonard after EACH approval step for entry into the Tracking Log.

Revised 10/8/2015

AMENDMENT NO. 1
TO THE
MANAGEMENT SERVICES AGREEMENT

THIS AMENDMENT NO. 1 TO THE MANAGEMENT SERVICES AGREEMENT (this "Amendment No. 1") is entered into on December 22, 2017, by and between **Community Health Network, Inc.** *d/b/a* **Gallahue Mental Health Services**, an Indiana nonprofit corporation ("CHNw"), and **Lutheran Child and Family Services of Indiana/Kentucky, Inc.**, an Indiana nonprofit corporation ("LCFS").

RECITALS

WHEREAS, CHNw and LCFS entered into a Management Services Agreement dated December 19, 2012 (the "Agreement"); and

WHEREAS, CHNw and LCFS desire to amend said Agreement pursuant to Section 15.08 as provided herein.

NOW THEREFORE, in consideration of the mutual agreements and conditions contained herein and intending to be legally bound, the parties agree as follows:

1. **Actions Requiring Management Oversight Committee Approval.** Section 6.04(a) of the Agreement is deleted in its entirety and replaced with the following provision:

> 6.04(a) each Annual Budget and Annual Capital Budget and any and all changes, modifications or supplements thereto; provided, however, the Management Oversight Committee may delegate its authority (on such terms as it may specify) to make changes, modifications and supplements to the Annual Capital Budget to one representative each of CHNw and LCFS acting unanimously, subject to the provisions of Section 8.04, with each such change, modification or supplement approved by the representatives to be reported at the next meeting of the Management Oversight Committee;

2. **Capital Calls.** Section 6.07 of the Agreement is amended to add the following language at the end of the first sentence:

> The Management Oversight Committee may determine, from time to time, that the Program Facilities or the Programs require an infusion of capital, which may include, but not be limited to, any infusion of capital the Management Oversight Committee may deem necessary to address a non-routine Capital Improvement or an emergency or other Capital Improvement that is not included in any Annual Budget or Annual Capital Budget within the meaning of Section 6.04(a).

3. **Accounting; Financial Records; Audits; Budget.** Article VIII of the Agreement is amended to add new Section 8.04 as follows:

8.04 Annual Capital Budget. Subject to this Section 8.04, CHNw, in consultation with LCFS, shall, no later than thirty (30) days before the end of each Fiscal Year during the Term, deliver to the Management Oversight Committee for approval a draft annual capital budget covering Capital Expenditures anticipated for the next Fiscal Year for the Program Facilities and the Programs (each, an "Annual Capital Budget"). Capital Expenditures made pursuant to the Annual Capital Budget (as it may be approved or changed, modified or supplemented as provided in Section 6.04 (a)) shall not exceed the aggregate amount of Three Hundred Thousand and 00/100 Dollars ($300,000) in any Fiscal Year (net of any grants to LCFS or the Foundation treated as Program Revenue). CHNw and LCFS shall each contribute capital up to One Hundred Fifty Thousand and 00/100 ($150,000) each Fiscal Year during the Term to fund Capital Expenditures detailed in the Annual Capital Budget as approved pursuant to Section 6.04(a). Each of LCFS and CHNw shall promptly fund its equal share of any such Capital Expenditure included in the Annual Capital Budget pursuant to a process specified from time to time by CHNw's Behavioral Health Finance Director and the LCFS CFO and Director of Operations acting unanimously or such other representatives of CHNw and LCFS acting unanimously as may be designated by the Management Oversight Committee from time to time. Funding of the Annual Capital Budget by each party is not a Capital Call as defined in Section 6.07.

4. **Term.** The Term of the Agreement set forth in Section 10.01 of the Agreement is extended an additional five (5) years commencing January 7, 2018 and ending on January 6, 2023.

5. **Definitions.** The following new definitions are added to Schedule 1 of the Agreement:

"Annual Capital Budget" has the meaning set forth in Section 8.04.

"Capital Expenditure" means any expenditure in excess of $5,000 (as such amount may be increased or decreased with the approval of the Management Oversight Committee) required to be capitalized under GAAP.

"Capital Improvement" means any expenditure in excess of $5,000 (as such amount may be increased or decreased with the approval of the Management Oversight Committee) required to be capitalized under GAAP but excluding any expenditure made or to be made pursuant to the Annual Budget or Annual Capital Budget as provided in Section 6.04(a).

6. **Recitals.** The Recitals set forth above are incorporated into and made a part of the Agreement.

7. **No Further Modification.** Except as and to the extent expressly modified by this Amendment No. 1 or as otherwise required to effectuate the intent of this Amendment No. 1, the Agreement remains in full force and effect. A term not otherwise defined herein shall have the meaning set forth in the Agreement.

8. **Effective Date.** Unless otherwise specified herein, this Amendment No. 1 is effective as of January 6, 2018.

[Signature page to follow]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized representative to execute this Amendment No. 1 to the Management Services Agreement as of the date first written above.

LUTHERAN CHILD AND FAMILY SERVICES OF INDIANA/KENTUCKY, INC.

By: Lewis D Beckwith

Lewis D. Beckwith
President

COMMUNITY HEALTH NETWORK, INC. *d/b/a* GALLAHUE MENTAL HEALTH SERVICES

By:

Jason Fahrlander
Executive Vice President
Chief Operating Officer

TRANSFER AGREEMENT

THIS FACILITY TRANSFER AGREEMENT (this "Agreement") is entered into and effective as of January 1, 2018 (the "Effective Date"), by and between **Community Health Network, Inc.** and its affiliated hospitals (collectively "Community") and **Lutheran Child and Family Services d/b/a Lutherwood,** located at 1525 North Ritter Avenue, Indianapolis, IN 46219 ("Facility" or "Transferring Facility").

RECITALS

WHEREAS, Facility provides healthcare services to its patients and occasionally identifies the need for additional services provided by Community and not provided by Facility;

WHEREAS, Community operates acute care inpatient hospitals through its affiliates in central Indiana, including an inpatient facility known as **Community Hospital East** ("Hospital" or "Receiving Facility") located at 1500 North Ritter Avenue, Indianapolis, IN 46219;

WHEREAS, when Facility identifies a patient in need of services not available at Facility but available at Community, Facility desires to transfer such patients to Community when Community has the capacity to accept such patients; and

WHEREAS, Community is willing to accept the transfer of such patients when Community has the capacity to do so pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the undersigned parties agree as follows:

1. Term. The term of this Agreement shall be for a period of one (1) year commencing on the Effective Date set forth above. Thereafter, this Agreement shall automatically renew for successive one (1) year terms unless sooner terminated in accordance with Section 2.

2. Termination. This Agreement may be terminated by either party at any time and for any or no reason upon at least thirty (30) days prior written notice. Notwithstanding the foregoing, this Agreement shall automatically terminate upon the occurrence of any of the following events at either institution: Loss of licensure or accreditation; exclusion from participation in Medicare or Medicaid; or a breach of this Agreement that is not cured to the non-breaching party's satisfaction within thirty days of notice of the details of such breach.

3. Duties of the Transferring Facility. The Transferring Facility shall initiate and coordinate a request for transfer as follows:

(a) Contact the Receiving Facility in a timely manner when a patient needing transfer is identified, describing the level of care needed with the staff of Community, including as needed, physician to physician discussions that allow Community to determine whether the Hospital is appropriately qualified, licensed and equipped, by way of bed capacity and resources, to accept, care for and meet the patient's medical needs.

(b) Calls to Community should be made by staff knowledgeable about the patient's clinical condition, and directed to the emergency department unless a direct

admission is desired, and a direct admission should be coordinated directly with the Behavioral Health Pavilion staff. All transfers must be consistent with promotion of the health and safety of the patient as determined by the patient's physicians and health care professionals. The Transferring Facility shall obtain the consent of the patient or of a legally authorized individual prior to initiating transfer, whenever possible. In emergency situations where consent is not documented, all efforts to obtain consent must be documented by the physician responsible for the patient.

(c) Prior to the transfer, coordinate the details of the transfer as clinically appropriate with the Receiving Party to ensure a smooth transfer of the patient and his/her records.

(d) At the time of transfer, Transferring Facility shall provide Community with all pertinent medical information necessary to maintain a continuum of care. Typically, this will include the patient's name, address, a copy of the patient's history, physical examinations, name of the treating physician, physician progress notes, laboratory reports, x-ray reports, discharge summary and transfer form, among others. The Transferring Facility is responsible for obtaining all necessary medical releases for the release of pertinent medical information.

(e) Be responsible for all patient care until the transfer is completed, including arranging for transportation and as applicable, paying transportation costs.

(f) When transferring patients with a known infectious condition, notify the Receiving Facility and take all reasonably necessary and medically appropriate precautions to prevent the spread of disease.

(g) Ensure that the patient is sufficiently stabilized for safe transfer. This means that no material deterioration of the patient's condition is likely, within reasonable medical probability, to result from or occur during the transfer of the patient.

(h) The Transferring Facility shall not transfer an un-stabilized patient unless:

    (i) The patient or the patient's legally authorized agent, in writing, requests a transfer to the Receiving Hospital after being informed of the Transferring Facility's obligation to provide stabilizing treatment and of the risks of transfer; or

    (ii) A physician or other qualified medical personnel at the Transferring Facility has signed a certification that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time of transfer, the medical benefits reasonably expected from treatment at the Receiving Hospital outweigh the risks to the patient.

(i) Use qualified personnel and transportation equipment including the use of necessary and medically appropriate life support measures to ensure the timely and safe transfer of patients.

(j) Arrange for the provision of security and accountability of patient's personal effects on transfer.

(k) If medically appropriate, accept patient back at the Transferring Facility for further care and treatment.

(l) Transfers shall be based upon the recommendation of the transferring physician who has assessed the patient and determined that the transfer is medically appropriate and the acceptance of the transfer by the receiving physician who concurs that transfer to a higher level of care is required, who concurs transfer is medically appropriate, and who reasonably believes that appropriate facilities and staff are not available at the Transferring Facility.

(m) To arrange for the transfer of the patient to Community, and to accept and arrange for the transfer of the patient back to the Transferring Facility, when the patient no longer requires the specialized capabilities of Community, subject to the wishes of the patient and the capacity of the Facility.

4. Duties of Receiving Facility. The Receiving Facility shall:

(a) Comply fully with all requirements of EMTALA.

(b) Comply with all applicable laws, regulations, and applicable accreditation standards.

5. Autonomy. The parties agree that each party shall continue to have the exclusive control of the management, business and properties of their respective institutions, and neither party by virtue of this Agreement assumes any liability for any debts or obligations of the other party to the Agreement.

6. Admission Priorities. Admissions to Receiving Facility shall be in accordance with Receiving Facility's admission policies and procedures and in accordance with Receiving Facility's Medical Staff Bylaws and rules and regulations. Nothing in this Agreement shall be construed to require Receiving Facility to give priority of admission to patients being transferred from Transferring Facility, or to accept any patient from Transferring Facility if Receiving Facility does not have the capacity to appropriately care for the patient.

7. Insurance and Indemnification.

(a) Professional Liability. Each party shall maintain medical malpractice insurance with those limits necessary to qualify the party and its employees as qualified health care providers under the Indiana Medical Malpractice Act (Ind. Code § 34-18 *et seq.*), as amended from time to time or any successor legislation (the "Act"), and remain so qualified throughout the Term of this Agreement. The insurance shall provide coverage for incidents, claims and suits arising from activities performed pursuant to this Agreement during the Term of this Agreement as well as those claims and suits arising pursuant to this Agreement, but reported after the Agreement has been terminated.

(b) Indemnification. To the extent of the parties' insurance coverage for such risks, each party shall indemnify and hold harmless the other party and the other party's officers,

directors, shareholders, employees and agents from and against all liabilities, losses, claims, suits, judgments, damages, costs, expenses, and legal fees arising directly or indirectly from any negligent act or omission on the part of such party.

8. Compliance with Laws. The parties shall comply fully with all applicable state and federal laws, regulations and accreditation standards, including but not limited to the Emergency Treatment of Active Labor Act ("EMTALA"), the Health Insurance Portability and Accountability Act ("HIPAA") and the applicable Medicare Conditions of Participation.

9. Patient Referrals. This Agreement does not require either Transferring or Receiving Facility to refer patients or enter into any other arrangement for the provision of any item or service offered for which Medicare or Medicaid payments may be made.

10. Billing. Each party shall be responsible for billing and collecting for its services rendered to the patients transferred hereunder. Charges for services performed by either party will be collected by such party from the patient or the patient's guarantor. The parties shall coordinate as necessary to insure that billing of third party or governmental payers pursuant to this Agreement is consistent with all applicable legal requirements.

11. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.

12. Governing Law. This Agreement shall be deemed to have been made under and shall be construed and interpreted in accordance with the laws of the State of Indiana.

13. Change in Law. It is the intention of the parties to comply with all Medicare/Medicaid laws and regulations and all other applicable laws and regulations, including, but not limited to, the Internal Revenue Code of 1986, as amended, the Medicare and Medicaid Anti-Kickback statute, and any regulations promulgated thereunder. The parties acknowledge that legislation, regulations, an administrative ruling or other legally binding opinion may be adopted, amended, promulgated or issued which effectively renders this Agreement unlawful, could affect the tax exempt status of either party or any affiliates thereof, could impose liability or exclusion from participation in the Medicare or Medicaid program or otherwise have a negative impact on either party. In such event, either party may by written notice propose the termination, restructuring or renegotiation of this Agreement in order to effect compliance. If such notice is given and the parties are unable within thirty (30) days thereafter to reach an agreement with respect to restructuring of the Agreement, then this Agreement shall automatically terminate.

14. Third Party Beneficiary. The parties do not intend to confer any rights, privileges or benefits upon any other individual(s) or entity(ies), not signatories to this Agreement, arising out of this Agreement. The parties agree that nothing in this Agreement shall be construed or interpreted to confer any such rights, privileges or benefits upon any individual or entity not a signatory to this Agreement.

15. Force Majeure. The parties understand and acknowledge that neither shall be liable for any loss, damage, detention, delay or failure to perform in whole or in part resulting from causes beyond their control including, but not limited to, act of God, fire, hurricanes, strikes, insurrections, riots, embargoes, shortages of motor vehicles, delays in transportation, and inability to obtain supplies of raw materials or requirements or regulations of the United States government or any other civil or military authority.

16. Notices. Any notice required to be given under this Agreement shall be addressed to the appropriate party as set forth on the signature page and shall be effective: (a) on the date of delivery if given in writing and hand delivered; (b) on the date received, if sent by overnight courier with written proof of receipt; or (c) three (3) days after posting in the United States mail and sent by First Class United States Mail with postage prepaid and return receipt requested.

Community:	Community Health Network, Inc. 7330 Shadeland Station Indianapolis, IN 46256 Attn: Chief Financial Officer
Facility:	Lutherwood 1525 North Ritter Avenue Indianapolis, IN 46219 Attn: Administrator

17. Access to Books and Records.

(a) Access. If this Agreement is determined to be a contract within the purview of §1861(v)(1)(I) of the Social Security Act (§952 of the Omnibus Reconciliation Act of 1980) and the regulations promulgated in implementation thereof at 42 CFR Part 420, the parties agree to make available to the Comptroller General of the United States, the Secretary of the Department of Health and Human Services, and their duly authorized representatives, access to the books, documents and records of parties, and such other information as may be required by the Comptroller General or Secretary to verify the nature and extent of the costs of services provided by parties. If either party carries out the duties of the Agreement through a subcontract worth Ten Thousand Dollars ($10,000.00) or more over a twelve (12) month period, the subcontract will also contain an access clause to permit similar access by the Comptroller General and Secretary to the subcontractor's books and records.

(b) Compliance. If either party refuses to make the books, documents and records available for said inspection and if the other party is denied reimbursement for said services based on such refusal, each party agrees to indemnify the other party for such loss or reduction in reimbursement. The obligation of the parties to make records available shall extend for four (4) years after the furnishing of the latest services under this Agreement or any renewal thereof.

18. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the safe instrument.

19. Entire Agreement. This Agreement contains the entire understanding between the undersigned parties and supersedes any and all prior agreements or understandings, whether oral or written, relating to the subject matter of this Agreement. This Agreement may not be amended, changed or modified except by written agreement executed by both parties hereto.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned parties have caused this Transfer Agreement to be executed by their duly authorized representatives as of the Effective Date.

"Community"

COMMUNITY HEALTH NETWORK, INC.

By: _____
Joseph M. Kessler
EVP / Chief Financial Officer

"Facility"

LUTHERAN CHILD AND FAMILY SERVICES d/b/a LUTHERWOOOD

By: _____
Printed Name: Sven C. Schumacher
Title: Administrator