

PRACTICE INTERVENTIONAL PAIN MANAGEMENT, P.L.L.C.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of June __, 2017 (the "Effective Date"), by and between PRACTICE, PLLC., a Texas limited liability company ("PRACTICE"), and JENNIFER EMPLOYEE, an individual health care executive ("HCE"). PRACTICE and HCE are referred to at times in this Agreement as the "Parties" collectively and as a "Party" individually.

WHEREAS, PRACTICE is a limited liability company that provides comprehensive medical services and desires to employ a qualified HCE to assume responsibility for providing management services to PRACTICE on a full-time basis as described below (the "Services");

WHEREAS, HCE is qualified by appropriate education, training, and experience to perform the Services; and

WHEREAS, the Parties desire to enter into an arrangement under which HCE will provide the Services as an employee to PRACTICE as requested by PRACTICE for PRACTICE's affiliated entities.

NOW, THEREFORE, for and in consideration of the mutual promises of the Parties and the covenants and conditions hereinafter expressed, the Parties agree and covenant as follows:

1. EMPLOYMENT TERM

Subject to the terms and conditions specified in this Agreement, PRACTICE hereby agrees to employ HCE. HCE hereby accepts such employment from PRACTICE for the period commencing on the Effective Date, and expiring one (1) year from the Effective Date, unless earlier terminated in accordance with the provisions of this Agreement (the "Term"). This Agreement will automatically renew on the same terms and conditions for additional two (2) year periods, (each such additional two (2) year period being a "Renewal Term"), unless notice of a decision not to renew this Agreement has been given by either Party at least ninety (90) days prior to the end of the Term or Renewal Term ("Notice of Non-Renewal"). The Term and Renewal Terms are collectively referred to as the "Term of Employment".

2. COMPENSATION AND FINANCIAL MATTERS

2.1. Compensation. In exchange for the performance of the Services set forth in this Agreement, PRACTICE shall pay HCE, during the term of this Agreement:

- a) \$xxx,xxx in salary annually for initial year, payable in accordance with PRACTICE's usual payroll procedures, less applicable federal and state deductions and withholdings and any deductions for participation in any

employer provided benefit plans. HCE's position will be classified as exempt.

- b) \$XXX,XXX in salary annually for renewal terms.
- c) Bonus structure: PRACTICE shall pay HCE 10% of the increase of net revenue, of PRACTICE (the "Bonus Compensation"). The formula will be calculated as 10% of the difference between net profit of the PLLC from inaugural year, 20XX. For example, if the PLLC net revenue in year 2XX is 500K and after one year increases to 1 million, the difference is 500K. 10% of this will be 50K, paid as bonus. Revenue will be based on tax returns, usually finalized in Q3 of the following year. The Bonus Compensation will be calculated on an annual basis and will be paid on an annual basis within thirty (30) days of start of Q4 the following year. PRACTICE shall provide HCE annual reports of Profit and Loss, as well as any other information reasonably requested by HCE. The reports and information shall detail the net revenues of PRACTICE as well as the calculation of the Bonus Compensation.
- d) 401k retirement plan after 3rd year or when available
- e) \$XXX per month expense allowance

2.2. HCE Benefits.

- (a) HCE will be eligible to receive healthcare insurance benefits for herself and her immediate family beginning on the ninety first (91st) day of employment through PRACTICE, in accordance to PRACTICE's available healthcare plans.
- (b) Paid time off (including vacation) accrues upon successful completion of a ninety (90)-day probation period in accordance with PRACTICE's paid time off and vacation policy. HCE will be eligible for 40 hours PTO (Paid Time Off) time to be used as needed. Any accrued, but unused, paid time off will be forfeited upon termination of employment.
- (c) HCE will be eligible for three (3) weeks of paid vacation beginning on the ninety first (91st) day of employment. Vacation time must be requested one month in advance before the scheduled time off unless otherwise mutually agreed upon by the Parties.

3. **HCE DUTIES AND OBLIGATIONS**

3.1. HCE Duties. HCE shall provide comprehensive management and business development services, as PRACTICE and HCE determine to be reasonable and necessary, with respect to the facilities listed on Exhibit A, and such other facilities as are designated by PRACTICE from time to time (each a "Facility" and collectively the "Facilities") on a full-time basis (8:00AM to 5:00PM, Monday through Friday, and occasional weekend or evening hours)

in accordance with the schedule established by PRACTICE based on the needs of each of the Facilities.

- (a) Human Resources. Oversee on-boarding/off-boarding of all staff, with oversight of PRACTICE in coordination and supervision if necessary from PRACTICE directors. Evaluate current staffing and optimize # of employees
- (b) Financial. Have limited financial roles, will be responsible for the creation of profit and loss statements, balance sheets and or statements of retained earnings, as well as assist with periodic auditing of all financial statements for PRACTICE. Create Proformas for existing and future clinics, control costs, create and trend PnL statements. Review payor contracts and approach payers for better contracts.
- (c) Operations. With limited coordination with PRACTICE and PRACTICE directors, will have direct oversight of all managerial operations of PRACTICE. Influence environment of clinic to improve customer service, discipline, office manager and staff roles and functioning.
- (d) Managerial Operations Are Defined As: Oversight of employee payroll for accurate submission, direct oversight of all employee spending, implementing cost saving measures as it relates to working with various third parties to include vendors for medical products, as well as, office-based products. Directly hold sub-managers responsible for productive day-to-day operations that are directly in-line with best practice standards for PRACTICE and PRACTICE.
- (e) Billing and Collections. Ability to audit the billing and collections for all PRACTICE and PRACTICE entities on a monthly basis. Review and update billing company contract, scope of work in contract, monitor outgoing charges, monitor documentation, coding, billing company follow up and “touches” to claims, appeals process and work flow, AR, refunds, time of filings. Eventually transition billing to another entity or inhouse.
- (f) PRACTICE Partner entities. HCE will evaluate the functioning of PRACTICE Partner entities and when once mutually agreed upon, attempt to bring more service lines or partners to each entity.

3.2. HCE Compliance Obligations. In the performance of Services pursuant to this Agreement, HCE shall comply, at all times, with the following laws and standards:

- (a) all applicable federal, state and local laws and regulations, together with any amendments and binding interpretations thereof, including but not

limited to the Social Security Act and the regulations promulgated thereunder; Texas laws and regulations; the rules, regulations and policies of the Office of Inspector General of the Department of Health and Human Services, Centers for Medicare and Medicaid Services ("CMS"), and the Texas Department of State Health Services ("TDSHS"); any state or federal law or regulations governing controlled substances, pharmaceuticals, or devices; and any new legislation or regulations, such as a new federal or state economic stabilization program or health insurance program (collectively "Applicable Law");

- (b) all PRACTICE policies and procedures, compliance programs, and protocols (collectively, "PRACTICE Standards");
- (c) all policies, procedures, rules, regulations and bylaws applicable to each Facility (collectively "Facility Standards"); and
- (d) all policies, procedures, conditions of participation and contract provisions governing third party reimbursement for any health care services, including the Services provided pursuant to this Agreement (collectively "Payor Standards").

3.3. HIPAA and HITECH Compliance. As an employee of PRACTICE, HCE agrees to comply with any policies and procedures of PRACTICE related to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") and the Standards for Security of Electronic Protected Health Information ("Security Rule") promulgated under HIPAA, and the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH"), as amended by the final Omnibus Rules.

4. **GENERAL REPRESENTATIONS, WARRANTIES, AND COVENANTS**

4.1. No Exclusion/Adverse Action. As a continuing condition precedent under this Agreement, HCE represents and warrants to PRACTICE that: (i) HCE is not excluded from participation in any state or federal health care program; and (ii) no final adverse action, as such term is defined under 42 U.S.C. § 1320a-7e(g) (or any successor provision of Applicable Law), has occurred or is pending or threatened against HCE (collectively "Excluded/Adverse Actions"). HCE shall notify PRACTICE of any Excluded/Adverse Actions or any basis therefor as soon as possible, but in no event later than within twenty four (24) hours of the time HCE learns of any such Excluded/Adverse Action or any basis therefor, as the case may be.

4.2. No Restriction on Ability to Contract. HCE represents and warrants that she has and shall maintain all required authority and ability to enter into and fully perform his obligations pursuant to this Agreement. HCE further represents and warrants that she is not prohibited or otherwise limited in his ability to enter into and perform under this Agreement by

reason of any other written or oral agreement, threatened or pending legal proceeding, or any other circumstance.

4.3. Notification. Except as otherwise provided in Section 4.1, during the Term of Employment, HCE shall notify PRACTICE in the event of any change in the status of any of the representations, warranties or covenants set forth in this section as soon as possible, but in no event later than within forty eight (48) hours of such change.

5. **NON-DISCLOSURE OF TRADE SECRETS AND CONFIDENTIAL INFORMATION**

HCE acknowledges that in connection with the provision of Services under this Agreement, PRACTICE will provide and HCE will have access to, certain confidential, proprietary and trade secret materials and information of PRACTICE, and that such information is important, material and gravely affects the effective and successful conduct of the business and goodwill of PRACTICE. Such information may include, without limitation, PRACTICE's financial information; marketing, development, and demographic information; patient, customer and supplier lists and related information; medical records and other patient clinical data; pricing information and fee schedules; business plans, projections and strategies; contracting and managed care strategies and information; past and present methods, procedures and techniques used in conducting and enhancing operations, quality, satisfaction and performance; salary, compensation, and personnel information; compilations of records, information and processes, and other materials, records and/or information of a proprietary nature belonging to PRACTICE (collectively, "Confidential Information"). Accordingly, HCE expressly agrees that during the Term of Employment, and at any time after the termination, expiration or nonrenewal of this Agreement, HCE shall not, in any fashion, form or manner, either directly or indirectly, divulge, disclose or communicate to any person, firm, corporation or other entity any Confidential Information, or any other information of any kind, nature or description obtained in the course of employment, the use or disclosure of which would be contrary to the best interests of PRACTICE and its members, officers, directors, employees and affiliates; provided, however, HCE's use or disclosure of certain of such Confidential Information consistent with and in connection with their respective duties, obligations, and responsibilities under this Agreement, including without limitation the provision of Services by HCE under the Agreement and with specific approval from, or consistent with any applicable policy adopted by PRACTICE, is permissible and appropriate, as is disclosure required by law. HCE further acknowledges and agrees that during the term of this Agreement, and at any time after the termination, expiration or nonrenewal of this Agreement, HCE shall not take or retain, without the prior written consent of PRACTICE, any papers, slides, data, records, charts, patient lists, files, computer discs, research data or other demographic analysis, information regarding payor contracts entered into or under consideration by PRACTICE, or other documents or copies thereof or proprietary compilations of such information or other Confidential Information of any kind belonging to PRACTICE, without the prior written consent of PRACTICE. HCE understands and agrees that the disclosure of Confidential Information to other persons, including, in particular but without limitation, any person engaging in a business in any way competitive to PRACTICE, would result in hardship,

loss, irreparable injury and damage to PRACTICE, and that PRACTICE has a legitimate interest in protecting the Confidential Information and its goodwill. Without limiting other possible remedies for the breach of this covenant, the Parties agree that injunctive or other equitable relief shall be available to enforce this covenant, without the necessity of posting a bond.

6. RESTRICTIVE COVENANTS

6.1. Non-Solicitation. To enable PRACTICE to operate PRACTICE's business with minimal disruption, HCE agrees that during the Term of Employment and for one (1) year thereafter, HCE shall not directly or indirectly: (i) solicit for employment or employ or otherwise engage the services of any person then, or who was within the prior twelve (12) months, employed by or otherwise contracted with PRACTICE, or request, influence, or advise any such person to leave such employment or contracted service of PRACTICE; or (ii) influence or advise any competitor of PRACTICE to employ or otherwise engage the services of any person who is then, or within the prior twelve (12) months, employed by or otherwise in the service of PRACTICE.

6.2. Enforcement and Remedies. The Parties agree and acknowledge that, in the event of a violation of any restrictive covenant set forth in this Section 6, PRACTICE shall be entitled to preliminary and permanent injunctive relief without the necessity of posting any bond or other security as well as an equitable accounting of all benefits or costs arising from such violation, which rights shall be cumulative and in addition to any other rights or remedies to which PRACTICE may be entitled. In the event that injunctive relief is granted to enforce the restrictive covenants set forth in this Agreement, the duration of the applicable restrictive covenant shall be extended beyond the stated duration for a period of time equal to that amount of time which elapses between PRACTICE's notice of breach to HCE and the granting of injunctive relief.

6.3. Reformation. If any of the above items or elements of this section ("Restrictive Covenants") is held to be unreasonable, invalid, or otherwise unenforceable, in whole or in part, the Parties agree that any court or authority so finding shall have the authority to reform, redraft, blue pencil or otherwise modify any and all portions ruled to be unreasonable, invalid or unenforceable, whether as to time, scope geography or otherwise to include the maximum reasonable and enforceable restriction, and that the reformed covenant shall be enforceable to the fullest extent allowed by law. All other provisions of the covenants set forth in this Agreement shall be enforceable independently of each other.

6.4. Survival. The Restrictive Covenants in Section 5 and this Section 6 shall survive the termination, expiration, or non-renewal of this Agreement.

7. TERMINATION

7.1. Termination without Cause. Notwithstanding any other provision, either Party may terminate this Agreement for any reason without cause by providing ninety (90) days' written or advance notice to the other Party. In the event of termination without cause, HCE

shall be entitled to receive HCE's base salary and employee benefits, including accrued bonuses, through the effective date of notice of such termination.

7.2. Termination for Cause by PRACTICE. PRACTICE may terminate this Agreement with cause upon written notice to HCE under the following conditions:

- (a) Immediately if HCE is excluded or debarred from any federal or state health care program;
- (b) Immediately if HCE is indicted or convicted of (including any plea of nolo contendere or its equivalent) any felony or any other crime involving moral turpitude or immoral conduct;
- (c) In the event HCE shall materially fail by omission or commission to perform in accordance with this Agreement and HCE is unable to or fails to cure such material failure within fifteen (15) days' after his receipt of a written notice from PRACTICE informing HCE of such material failure, this Agreement may then be terminated; provided, however, that, in the event the breach is not reasonably susceptible to cure or remedy within such fifteen (15) business day period, HCE will not be in default so long as Manager initiates a cure or remedy within such fifteen (15) day period and diligently pursues such cure or remedy to completion;

7.3. Termination for Cause by HCE. HCE may terminate this Agreement with cause upon written notice to PRACTICE under the following conditions:

- (a) In the event PRACTICE shall materially fail by omission or commission to perform in accordance with this Agreement and PRACTICE is unable to or fails to cure such material failure within fifteen (15) days' after his receipt of a written notice from HCE informing PRACTICE of such material failure, this Agreement may then be terminated; provided, however, that, in the event the breach is not reasonably susceptible to cure or remedy within such fifteen (15) business day period, PRACTICE will not be in default so long as PRACTICE initiates a cure or remedy within such fifteen (15) day period and diligently pursues such cure or remedy to completion;

7.4. Effect of Termination for Cause. Termination for cause shall be effective on the date specified in the notice given by the termination party. If for cause termination notice is given by PRACTICE to HCE, then HCE shall not be entitled to payment of any compensation, salary or other benefits accrued after the effective date of such termination. In the event of a termination for cause by PRACTICE, HCE shall be entitled to receive HCE's base salary and employee benefits, including accrued bonuses, through the effective date of such termination.

7.5. Termination Due to Death or Disability. This Agreement shall immediately terminate in the event that HCE dies or becomes disabled. HCE shall be considered disabled for purposes of this section if HCE is unable to provide Services for a continuous period exceeding ninety (90) calendar days or for a non-continuous period exceeding ninety (90) calendar days during any twelve (12) month period, excluding scheduled vacation days permitted hereunder. Upon death or disability of HCE, PRACTICE shall have no further obligation to make payment of any compensation or any other accrued or unaccrued, but unpaid, payment, benefit or compensation, other than base salary and employee benefits, including accrued bonuses, through the date of death or disability.

7.6. Notice of Non-Renewal. Submitting a Notice of Non-Renewal at least ninety (90) days prior to the applicable Term or Renewal Term pursuant to the terms of Section 1 shall not constitute a termination without cause or a breach of this Agreement. In the event that either Party timely submits a Notice of Non-Renewal, subject to Sections 5 and 6, this Agreement will expire, and PRACTICE shall provide HCE with payment of any accrued, but unpaid, salary and bonus through the date of expiration of this Agreement within three (3) months of such expiration. PRACTICE shall have no further obligation to make payment of any other compensation, accrued or un-accrued.

7.7. Post Termination Obligations. The termination of this Agreement shall not relieve either Party of any obligation pursuant to this Agreement that arose on or before the date of termination or any obligation arising from a provision herein that, by its terms, survives this Agreement, including, but not limited to, those addressed in Sections 5 and 6.

8. **MISCELLANEOUS**

8.1. Notices. Any notice or other communication by one Party to another Party shall be in writing and shall be given, and be deemed to have been given, if mailed with postage prepaid by registered or certified mail and addressed as follows:

To PRACTICE:

PRACTICE
xXXX Dr
XXXX, TX XXXX
Attention: DOCTOR DOCTOR, M.D.

To HCE:

or to such other address and to the attention of such other person or officer as the Party may designate in writing.

8.2. Amendments. Any amendments to this Agreement must be in writing and executed by the Parties in a separate writing.

8.3. No Waiver. Failure of a Party to insist upon strict performance of any of the provisions of this Agreement, or to exercise any right or action herein conferred on one or more occasions, shall not be construed to be a waiver, relinquishment or estoppel by silence of any such right to its assertion in the future and the same shall be and remain in full force and effect.

8.4. Choice of Law. This Agreement is formed in and is intended to be performed within the state of Texas and shall be governed in all respects by Texas law, without regard for the provisions thereof regarding choice of law. All actions and proceedings relating to or arising out of the subject matter hereof will be maintained exclusively in the courts of Denton County, Texas, and each of the Parties hereby irrevocably waives any objection, which such Party may now or hereafter have regarding the bringing of any such action or proceeding with respect to this Agreement in any jurisdiction set forth above.

8.5. Final Agreement. This Agreement sets forth the final understanding of the Parties regarding the subject matter hereof, and supersedes all prior understandings, negotiations and writings between the Parties relating thereto.

8.6. Confidentiality of Agreement. HCE shall keep this Agreement and its contents confidential and shall not disclose this Agreement or its contents to any third party other than HCE's legal and financial advisors, or as required by Applicable Law, without the prior written consent of PRACTICE.

8.7. No Third Party Beneficiaries. Nothing in this Agreement is intended, nor shall be deemed, to confer any benefits on any third party.

8.8. Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives and successors. Neither party may not assign his interest in this Agreement or delegate his or its rights, duties or obligations under this Agreement, without the prior written consent of the other party.

8.9. Change in Law; Severability. The Parties recognize that this Agreement is at all times subject to Applicable Law and changes in reimbursement for medical services. Any provision of Applicable Law that invalidates this Agreement or a portion of this Agreement, or that would cause either Party to be in violation of Applicable Law shall be deemed to supersede such provision of this Agreement and shall require reformation of this Agreement. Moreover, if any term or provision of this Agreement is held illegal, invalid or unenforceable to any extent pursuant to Applicable Law or otherwise, the remainder of this Agreement shall not be affected thereby and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Applicable Law. The Parties shall exercise their reasonable best efforts to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the Applicable Law.

8.10. Health Care Services Laws and Regulations. The Parties enter into this Agreement with the intent of conducting their relationship in full compliance with Applicable Law, including without limitation, the federal Anti-Kickback statutes and regulations, the so-called "Stark Law" and its implementing regulations, and the Texas Prohibition on Solicitation of Patients. Notwithstanding any unanticipated effect of any of the provisions of this Agreement, neither Party shall intentionally conduct themselves under this Agreement in a manner that would constitute a violation of any provision of the federal Anti-Kickback statutes and regulations, the Stark Law and its implementing regulations, or the Texas Prohibition on Solicitation of Patients.

(Signatures begin on next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PRACTICE:

PRACTICE, P.L.L.C.

By: _____

Name: _____

Title: __ Managing Partner _____

HCE:

_____, _____, _____, _____
individually

EXHIBIT A

Affiliates

HCE shall provide management for the following subsidiaries:

1. PRACTICE
1234 XXXXX DRIVE
Suite XXX
AWESOME, TX 750XX

- 2.

And such other subsidiaries mutually initiated by the Parties.

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