

Exhibit 1

Per the legislative history below, the bill met final approval and was enacted on July 24, 2012. The bill then became effective on September 10, 2012. This information can also be found on the County's website – Legislative Information System.

Prince George's County Council Agenda Item Summary

Printer friendly version

Meeting Date: 7/24/2012
Reference No.: CB-029-2012
Draft No.: 3
Proposer(s): Patterson
Sponsor(s): Patterson, Davis, Franklin, Lehman
Item Title:

An Ordinance concerning Juvenile Group Residential Facilities for the purpose of permitting group residential facilities in certain residential zones subject to specific requirements in order to implement the important public purpose of protecting the public safety, health, and welfare; providing local reporting requirements for juvenile group facilities in residential zones, providing enforcement provisions, and repealing the requirement that group residential facilities obtain a special exception as a condition to operating in certain residential zones.

Drafter: Kathleen H. Canning, Legislative Officer
Resource Personnel: Jacqueline W. Brown, PZED Committee Director
Maurene Epps-Webb, Chief Zoning Hearing Examiner

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Drafter: Kathleen H. Canning, Legislative Officer
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LEGISLATIVE HISTORY:

Date Presented:	5/15/2012	Executive Action:	
Committee Referral:	5/15/2012 - PZED	Effective Date:	9/10/2012
Committee Action:	6/6/2012 - FAV(A)		
Date Introduced:	6/19/2012		
Public Hearing:	7/24/2012 - 10:00 AM		
Council Action (1)	7/24/2012 - ENACTED		
Council Votes:	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
Pass/Fail:	P		

**COUNTY COUNCIL OF PRINCE GEORGE'S COUNTY, MARYLAND
SITTING AS THE DISTRICT COUNCIL
2012 Legislative Session**

Bill No. CB-29-2012

Chapter No. 19

Proposed and Presented by Council Member Patterson

Introduced by Council Members Patterson, Davis, Franklin and Lehman

Co-Sponsors _____

Date of Introduction June 19, 2012

ZONING BILL

1 AN ORDINANCE concerning

2 Group Residential Facilities

3 For the purpose of permitting group residential facilities in certain residential zones subject to
4 specific requirements in order to implement the important public purpose of protecting the public
5 safety, health, and welfare; providing local reporting requirements for juvenile group facilities in
6 residential zones, providing enforcement provisions, and repealing the requirement that group
7 residential facilities obtain a special exception as a condition to operating in certain residential
8 zones.

9 BY repealing and reenacting with amendments:

10 Sections 27-107.01, 27-441(b) and 27-515(b),
11 The Zoning Ordinance of Prince George's County, Maryland,
12 being also
13 SUBTITLE 27. ZONING.
14 The Prince George's County Code
15 (2011 Edition).

16 BY repealing:

17 Section 27-360,
18 The Zoning Ordinance of Prince George's County, Maryland,
19 being also
20 SUBTITLE 27. ZONING.
The Prince George's County Code

(2011 Edition).

BY adding:

Section 27-445.14,

The Zoning Ordinance of Prince George's County, Maryland,

being also

SUBTITLE 27. ZONING.

The Prince George's County Code

(2011 Edition).

SECTION 1. BE IT ENACTED by the County Council of Prince George's County, Maryland, sitting as the District Council for that part of the Maryland-Washington Regional District in Prince George's County, Maryland, that Sections 27-107.01, 27-441(b) and 27-515(b) of the Zoning Ordinance of Prince George's County, Maryland, being also Subtitle 27 of the Prince George's County Code, be and the same are hereby repealed and reenacted with amendments:

SUBTITLE 27. ZONING.

PART 2. GENERAL.

DIVISION 1. DEFINITIONS.

Sec. 27-107.01. Definitions.

* * * * *

(109) Group Residential Facility:

~~X~~ (A) A "Dwelling Unit" or "Foster Home," operated by a responsible individual or organization, which has a program designed to provide a supportive living arrangement for five (5) or more individuals (unrelated to the operator by blood, adoption, or marriage) who are members of a service population that, because of age or emotional, mental, physical, familial, or social conditions, needs supervision.

(B) This term includes, facilities for developmentally disabled persons, drug dependent persons, alcoholic persons, juveniles, or persons whose welfare and adjustment within the community are dependent on support from the community.

(C) The term does not include:

[(i) A "Foster Home" where there are four (4) or less persons unrelated by blood, adoption, or marriage to their foster parents;]

1 [(ii) A "Foster Home" where there are not more than six (6) foster children who
2 are unrelated to their foster parents, but are related by blood or marriage to each other;]

3 [(iii)] (i) A "Hospital" or "Nursing or Care Home";

4 [(iv)] (ii) A "Congregate Living Facility"; or

5 [(v)] (iii) An "Adult Day Care Center."

6 (D) A "Group Residential Facility" for the "mentally handicapped" for up to eight (8)
7 residents shall be considered a "One-family Detached Dwelling."

8 (E) When a "Group Residential Facility" is limited to serving a "mentally
9 handicapped" population, this term shall include any individual with a primary disability as a
10 result of mental retardation, mental illness, or mental disorder which impairs the person's
11 cognitive ability to live independently (excluding addictive disorders resulting from substance
12 abuse).

13 * * * * *

Sec. 27-441. Uses permitted.

(b) TABLE OF USES.

USE	ZONE									
	R-O-S	O-S	R-A	R-E	R-R	R-80	R-55	R-35	R-20	
(6) Residential/Lodging										
* * * * *	*	*	*	*	*	*	*	*	*	*
Group residential facility for more than 8 mentally handicapped dependent persons, or for 5 or more other dependent persons [94]	[SE] P									
Group residential facility for not more than 8 mentally handicapped dependent persons	P	P	P	P	P	P	P	P	P	P
* * * * *	*	*	*	*	*	*	*	*	*	*

[94] All State and private operators of juvenile group residential facilities shall register their facilities with Prince George's County on forms provided by the County. The County shall compile the information and make it available to applicable County agencies.]

USE	ZONE									
	R-T	R-30	R-30C	R-18	R-18C	R-10A	R-10	R-H		
(6) Residential/Lodging										
* * * * *	*	*	*	*	*	*	*	*	*	*
Group residential facility for more than 8 mentally handicapped dependent persons, or for 5 or more other dependent persons ^[94]	[X] P	[X] P	[X] P	[SE] P	[X] P					
Group residential facility for not more than 8 mentally handicapped dependent persons	P	P	P	P	P	P	P	P	P	P
* * * * *	*	*	*	*	*	*	*	*	*	*

[⁹⁴ All State and private operators of juvenile group residential facilities shall register their facilities with Prince George's County on forms provided by the County. The County shall compile the information and make it available to applicable County agencies.]

**PART 8. COMPREHENSIVE DESIGN ZONES.
DIVISION 3. USES PERMITTED.**

Sec. 27-515. Uses permitted.

(b) TABLE OF USES.

USE	ZONE											
	M-A-C	L-A-C	E-1-A	R-U	R-M	R-S	R-L	V-L	V-M			
(7) RESIDENTIAL/LODGING:												
Group residential facility for up to 8 mentally handicapped dependent persons ^[36]	P	P	[X] P	P	P	P	P	P	P	P	*	*
* * * * *	*	*	*	*	*	*	*	*	*	*	*	*

[³⁶ All State and private operators of juvenile group residential facilities shall register their facilities quarterly with Prince George's County on forms provided by the County. The County shall compile the information and make it available to applicable County agencies.]

1 SECTION 2. BE IT ENACTED by the County Council of Prince George's County,
2 Maryland, sitting as the District Council for that part of the Maryland-Washington Regional
3 District in Prince George's County, Maryland, that Section 27-360 of the Zoning Ordinance of
4 Prince George's County, Maryland, being also Subtitle 27 of the Prince George's County Code,
5 be and the same is hereby repealed:

6 **SUBTITLE 27. ZONING**

7 **PART. 4. SPECIAL EXCEPTIONS.**

8 **DIVISION 3. ADDITIONAL REQUIREMENTS FOR SPECIFIC SPECIAL**
9 **EXCEPTIONS.**

10 **[Sec. 27-360. Group residential facility.**

11 (a) A group residential facility for more than eight (8) mentally handicapped dependent
12 persons, or for five (5) or more other dependent persons, may be permitted, subject to the
13 following:

14 (1) The applicant shall demonstrate that there is a need for the facility;

15 (2) The premises shall be under supervision at all times; and

16 (3) The regulations set forth in the zone in which the use is proposed may be waived
17 by the District Council provided that:

18 (A) The proposed site is of sufficient size to properly accommodate a facility of
19 the type proposed without adversely affecting adjacent land use; and

20 (B) The waiver is granted in accordance with the requirements and criteria by
21 which variances are granted by the Board of Zoning Appeals (Section 27-230).

22 (b) A statement shall be submitted explaining:

23 (1) The character of the facility;

24 (2) The program's policies and goals, and means proposed to accomplish the goals;

25 (3) The characteristics of the service population and number of residents to be served;

26 (4) The operating methods and procedures to be used; and

27 (5) Any other aspects pertinent to the facility's program.

28 (c) If the subject property is located within a municipality, the municipality shall be
29 allowed sixty (60) days from the date of referral to forward its recommendation to the District
30 Council.]

1 SECTION 3. BE IT FURTHER ENACTED by the County Council of Prince George's County,
 2 Maryland, sitting as the District Council for that part of the Maryland-Washington Regional
 3 District in Prince George's County, Maryland, that Section 27-445.14 of the Zoning Ordinance of
 4 Prince George's County, Maryland, being also Subtitle 27 of the Prince George's County Code,
 5 be and the same is hereby added:

6 **SUBTITLE 27. ZONING**

7 **PART 5. RESIDENTIAL ZONES**

8 **DIVISION 5. ADDITIONAL REQUIREMENTS FOR SPECIFIC USES.**

9 **Sec. 27-445.14 Group residential facility.**

10 (a) A group residential facility for more than eight (8) mentally handicapped dependent
 11 persons, or for five (5) or more other dependent persons, may be permitted, subject to the
 12 following:

13 (1) The applicant shall demonstrate that there is a need for the facility; and

14 (2) The premises shall be under supervision at all times.

15 (b) A statement shall be submitted explaining:

16 (1) The character of the facility;

17 (2) The program's policies and goals, and means proposed to accomplish the goals;

18 (3) The characteristics of the service population and number of residents to be served;

19 (4) The operating methods and procedures to be used; and

20 (5) Any other aspects pertinent to the facility's program.

21 (c) All State and private operators of juvenile group residential facilities are subject to a
 22 reporting requirement. The Department of Environmental Resources, the Police Department,
 23 and the Maryland National Capital Park and Planning Commission shall establish procedures to
 24 implement the reporting requirement for juvenile group residential facilities. The procedures
 25 shall be submitted to the District Council for approval on or before March 15, 2013. The purpose
 26 and intent of reporting by juvenile group residential facilities is to promote the health, safety and
 27 welfare of the citizens and residents of the County to prevent or control the detrimental effects of
 28 juvenile crime in the County.

1 SECTION 4. BE IT FURTHER ENACTED that the provisions of this Act are hereby
2 declared to be severable; and, in the event that any section, subsection, paragraph, subparagraph,
3 sentence, clause, phrase, or word of this Act is declared invalid or unconstitutional by a court of
4 competent jurisdiction, such invalidity or unconstitutionality shall not affect the remaining
5 words, phrases, clauses, sentences, subparagraphs, paragraphs, subsections, or sections of this
6 Act, since the same would have been enacted without the incorporation in this Act of any such
7 invalid or unconstitutional word, phrase, clause, sentence, subparagraph, subsection, or section.

8 SECTION 5. BE IT FURTHER ENACTED that this Ordinance shall take effect forty-five
9 (45) calendar days after its adoption.

Adopted this 24th day of July, 2012.

COUNTY COUNCIL OF PRINCE GEORGE'S
COUNTY, MARYLAND, SITTING AS THE
DISTRICT COUNCIL FOR THAT PART OF
THE MARYLAND-WASHINGTON REGIONAL
DISTRICT IN PRINCE GEORGE'S COUNTY,
MARYLAND

BY: _____
Andrea C. Harrison
Chair

ATTEST:

Redis C. Floyd
Clerk of the Council

KEY:

Underscoring indicates language added to existing law.

[Brackets] indicate language deleted from existing law.

Asterisks *** indicate intervening existing Code provisions that remain unchanged

GUIDE TO ZONING CATEGORIES

PRINCE GEORGE'S COUNTY, MARYLAND



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
PRINCE GEORGE'S COUNTY PLANNING DEPARTMENT
COUNTY ADMINISTRATION BUILDING
14741 GOVERNOR ODEN BOWIE DRIVE
UPPER MARLBORO, MARYLAND 20772
Phone number 301-952-3195
Web Address: www.pgplanning.org

November 2010

RESIDENTIAL ZONES¹

R-O-S: Reserved Open Space - Provides for permanent maintenance of certain areas of land in an undeveloped state, with the consent of the property owners; encourages preservation of large areas of trees and open space; designed to protect scenic and environmentally sensitive areas and ensure retention of land for nonintensive active or passive recreational uses; provides for very low density residential development and a limited range of public, recreational, and agricultural uses.

Minimum lot size - 20 acres*

Maximum dwelling units per net acre - 0.05

* Except for public recreational uses, for which no minimum area is required.

O-S: Open Space - Provides for areas of low-intensity residential (5 acre) development; promotes the economic use and conservation of land for agriculture, natural resource use, large-lot residential estates, nonintensive recreational use.

Standard lot size - 5 acres

Maximum dwelling units per net acre - 0.20

R-A: Residential-Agricultural - Provides for large-lot (2 acre) residential uses while encouraging the retention of agriculture as a primary land use.

Standard lot size - 2 acres

Maximum dwelling units per net acre - 0.50

R-E: Residential-Estate - Permits large-lot estate subdivisions containing lots approximately one acre or larger.

Standard lot size - 40,000 sq. ft.

Maximum dwelling units per net acre - 1.08

Estimated average dwelling units
per acre - 0.85

¹ Definitions:

Minimum or Standard lot size: The current minimum net contiguous land area required for a lot.

Average dwelling units per acre: The number of dwelling units which may be built on a tract--including the typical mix of streets, public facility sites and areas within the 100-year floodplain--expressed as a per-acre average.

Maximum dwelling units per net acre: The number of dwelling units which may be built on the total tract--excluding streets and public facility sites, and generally excluding land within the 100-year floodplain--expressed as a per-acre average.

Exhibit 2

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (“Agreement”) is made effective as of the 11th day of February, 2015 by and between ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON (“Seller”), and SEASONS RESIDENTIAL TREATMENT PROGRAM, LLC, a Maryland limited liability company, or its assigns (“Buyer”) (sometimes “Buyer” and “Seller” may be referred to individually as “Party” or collectively as the “Parties”).

RECITALS

This Agreement is made with reference to the following facts and objectives:

A. Seller is the owner of certain real property and the improvements thereon, if any, containing approximately 16.01 acres of land located on Allentown Road in Fort Washington, Maryland, being more particularly described in **Exhibit A** attached hereto.

B. Seller is willing to sell the above-referenced real property to Buyer, together with all privileges, rights, easements, hereditaments, and appurtenances thereunto belonging; all right, title and interest of Seller in and to any streets, alleys, ramps, passages, abutter’s rights and other rights-of-way included therein or adjacent thereto; and all water, mineral and other subsurface rights owned by Seller (collectively the “Property”), and Buyer is willing to buy the Property from Seller under the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which being hereby acknowledged, and in consideration of the mutual promises set forth in this Agreement, the Parties agree as follows:

1. Definitions and Interpretation.

1.1 As used in this Agreement:

1.1.1 “Closing” means the consummation of the conveyance of the Property to Buyer and the payment of the Purchase Price to Seller as provided in this Agreement.

1.1.2 “Environmental Contamination” means the existence or release (including sudden or nonsudden, accidental or nonaccidental leaks, spills, disposal, deposit and migration) of, or exposure to, any Hazardous Substance in, into, onto or under the environment (including the air, soil, surface water and ground water).

1.1.3 “Hazardous Substance” means all toxic or hazardous materials, chemicals, wastes, pollutants or similar substances, including Petroleum and Petroleum products, polychlorinated biphenyls, radioactive substances, asbestos insulation and/or urea formaldehyde insulation, and any other substance which has in the past or could in the future constitute a health, safety or environmental hazard to any person or property, including all substances which are regulated, governed, restricted or prohibited by any federal, state or local law, decision, statute, rule, regulation or ordinance currently in existence or hereafter enacted or rendered, including those materials or substances defined as “hazardous substances,” “hazardous materials,” “toxic substances” or “pollutants” in the Comprehensive Environmental

Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601, *et seq.*, the Clean Air Act, 42 U.S.C. § 7401, *et seq.*, the Clean Water Act, 33 U.S.C. § 1251, *et seq.*, and any applicable statutes, ordinances or regulations under the laws of the state in which the Property is located, and any rules and regulations promulgated thereunder, all as presently or hereafter amended.

1.1.4 “Net Usable Square Footage” means the total area of the Property less any portions thereof that are considered common areas, wetlands or included in public streets, highways or public right-of-ways, or that are required to be dedicated to any public authority.

1.2 Exhibits attached to this Agreement, amendments made pursuant to Subsection 12.3 below, and documents incorporated by reference are integral parts of this Agreement and references to this Agreement will be deemed to include such documents.

2. **Sale of Property.** Seller agrees to sell, and Buyer agrees to purchase, pursuant to the provisions of this Agreement, all of Seller’s right, title, and interest in and to the Property.

3. **Purchase Price.**

3.1 The Purchase Price shall be calculated by multiplying Sixty Eight and 11/1000 Cents (\$0.6811) by the Net Usable Square Footage of the Property (the “Purchase Price”). The Purchase Price is presently estimated to be Four Hundred Seventy Five Thousand and 00/100 Dollars (\$475,000.00) based on an assumed Net Usable Square Footage of 697,395.60 square feet. The exact Net Usable Square Footage shall be established pursuant to the survey to be prepared in accordance with this Agreement. If the survey determines that the Property consists of more or less than the assumed Net Usable Square Footage, the Purchase Price shall be adjusted accordingly based on Sixty Eight and 11/1000 Cents (\$0.6811) per Net Usable Square Foot.

3.2 **Deposit.** Within five (5) business days after the day on which the latter of the two (2) Parties executes this Agreement (the “Execution Date”), Buyer shall deposit into escrow with Avenue Commercial Title Insurance Company, Inc., as agents for Old Republic Title Insurance Company (the “Escrow Agent”) the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) (together, with all interest earned thereon, the “Deposit”).

3.2.1 **Investment of Deposit, Etc.** Buyer shall pay the Deposit by cashiers or official bank check or a wire transfer of funds for immediate credit. The Deposit shall be held by the Escrow Agent in an FDIC-insured interest-bearing account at a bank, savings and loan association or other financial institution mutually acceptable to the Parties. Interest shall be retained in the account and will accrue for the benefit of and be credited to the Party entitled to receive (or have credited) the Deposit at Closing or upon termination of this Agreement pursuant to its terms.

3.2.2 **Return of Deposit.** Buyer and Seller acknowledge that the Deposit is being paid on behalf of Buyer by Strategic Behavioral Health, LLC, a Delaware limited liability company (“SBH”). Notwithstanding anything in this Agreement to the contrary, if at any time all or any portion of any Deposit is to be returned to Buyer, such amounts shall instead be returned to SBH, and not to Buyer.

3.3 Payment of Purchase Price. The Purchase Price shall be paid as follows:

3.3.1 Deposit The Deposit, plus interest thereon, shall be applied as a credit against the Purchase Price.

3.3.2 Additional Payment. On the Closing Date, Buyer shall deposit with the Escrow Agent in Good Funds the balance of the Purchase Price, and such other amounts as are set forth in the closing statement prepared by the Escrow Agent and reasonably approved by Buyer.

4. Title to the Property.

4.1 Quality of Title. Title to the Property shall be good and marketable fees simple title and shall be free and clear of all liens, restrictions, easements, and other encumbrances and title objections, except for the exceptions to title as determined in accordance with Subsection 4.2. Title shall be insured by an ALTA Standard Coverage Owner's Policy of Title Insurance issued by Old Republic Title Insurance Company (the "Title Company") in the full amount of the Purchase Price insuring fee simple title to the Property in Buyer, subject only to the exceptions determined in accordance with Subsection 4.2. Buyer shall have the right to require an Extended Coverage Owner's Policy of Title Insurance and endorsements to the Title Policy. If Buyer elects to require an Extended Coverage Owner's Policy of Title Insurance and/or endorsements to the Title Policy, Buyer shall pay for the increased amount of the premium attributable to the Extended Coverage Owner's Policy of Title Insurance and for the costs of the additional endorsements requested by it.

4.2 Title Commitment and Survey. Within sixty (60) days of the Execution Date, Buyer shall obtain a commitment for title insurance issued by the Title Company (the "Title Commitment"), together with copies of the documents and instruments upon which the exceptions contained therein are based.

If Seller has a prior survey that can be re-certified, Seller shall, within 10-days after the date of this Agreement, provide the survey to Buyer and Buyer shall have it re-certified at Buyer's expense.

Buyer shall have prepared a survey of the Property by a surveyor licensed in the state where the Property is located. The surveyor shall be selected by Buyer. The surveyor shall also provide the Parties with a certificate of the Net Usable Square Footage of the Property. The Survey shall state the applicable zoning of the Property and shall confirm that the Property is properly zoned for use as a facility for the provision of behavioral health services for children and young adults.

Prior to the expiration of the Inspection Period, Buyer shall deliver written notice to Seller ("Buyer's Objection Notice") of all matters reflected in the title Commitment or on the Survey that are disapproved by or unsatisfactory to Buyer in Buyer's sole and absolute discretion (the "Disapproved Items"). If Buyer notifies Seller of Disapproved Items, and any of the Disapproved Items are not cured by Seller to the satisfaction of Buyer, at Seller's expense, prior to Closing, Buyer may terminate this Agreement by giving Seller written notice of termination and, in that event: (a) Buyer and Seller shall execute and deliver

to the Escrow Agent escrow cancellation instructions; (b) the Deposit (less One Hundred and No/100 Dollars (\$100.00) which shall be paid to Seller as consideration for entering into this Agreement, and less one-half of any escrow fee to be paid to Escrow Agent), together with all interest thereon, shall be returned to Buyer; and (c) except as otherwise provided herein, this Agreement shall be of no further force or effect. If Buyer fails to provide any notice to Seller on or before the expiration of the Inspection Period, Buyer shall be deemed to have objected to all matters reflected in the Title Commitment and the Survey.

5. **Closing.** The "Closing Date" shall be the date the Deed is recorded in the official property records of county in which the Property is located and shall occur on the later of: (a) the date which is thirty (30) days after the expiration of the Inspection Period (as may be extended) or (b) the date each of the conditions precedent set forth herein are either satisfied or waived by Buyer; PROVIDED, HOWEVER, if the Closing Date shall not have occurred on or before or sixty (60) days following the expiration of the Inspection Period, in that event, Buyer may, within fifteen (15) days thereafter, terminate this Agreement, in which event: (a) Buyer and Seller shall execute and deliver to the Escrow Agent escrow cancellation instructions; (b) the Deposit (less less One Hundred and No/100 Dollars (\$100.00) which shall be paid to Seller as consideration for entering into this Agreement and less one-half of any escrow fee owed to Escrow Agent), together with all other amounts paid by Buyer to Escrow Agent, and the interest thereon, shall be paid to the Party entitled to the same pursuant to Subsection 6.3; and (c) except as otherwise provided herein, this Agreement shall be of no further force or effect. The sale contemplated by this Agreement shall be consummated as follows:

5.1 **Seller's Instruments.** Seller shall cause to be deposited with the Escrow Agent, no later than one (1) day prior to the Closing Date, for recordation and delivery to Buyer upon the Closing, the following items:

5.1.1 **Deed.** A recordable special warranty deed (the "Deed"), in a form reasonably acceptable to Buyer, duly executed and acknowledged by Seller and effective to convey to Buyer fee simple title to the Property as provided for in this Agreement free and clear of all exceptions, except those approved in accordance with Subsection 4.2.

5.1.2 **Non-Foreign Status Certificate.** A Non-Foreign Status Certificate pursuant to Internal Revenue Code § 1445 duly executed by Seller in a form reasonably acceptable to Buyer.

5.1.3 **Title Affidavit.** A Title Affidavit in a form reasonably acceptable to Buyer.

5.1.4 **Additional Documents.** Such additional documents as may be reasonably required by the Buyer or the Escrow Agent to consummate the Closing.

5.2 **Buyer's Payment and Documents.**

5.2.1 **Payment.** On or prior to the Closing Date Buyer shall deposit with the Escrow Agent, for payment to Seller upon the Closing, the balance of the Purchase Price and an amount equal to Buyer's costs as set forth in Subsections 5.4 and 5.6. The amount to be paid by Buyer at the Closing shall be set forth in the approved Buyer's closing statement.

5.2.2 Documents. Such documents as may be reasonably required by the Seller or the Escrow Agent to consummate the Closing.

5.3 Seller's Costs. Seller shall before or simultaneously with the Closing pay the following costs: (a) the premium expense and title search charges associated with the issuance of the ALTA Standard Coverage Owner's Policy of Title Insurance issued by the Title Company as provided in Subsection 4.1, with a liability amount equal to the Purchase Price, (b) one-half (1/2) of all sales, excise, documentary, real estate conveyance, and transfer taxes applicable to the sale which are imposed by any governmental authority, (c) one-half (1/2) of the Escrow Agent's fees, (d) fees and expenses of Seller's counsel, and (e) the Brokers' Commission, as defined herein.

5.4 Buyer's Costs. Buyer shall, before or simultaneously with the Closing pay the following costs: (a) the cost of any endorsements to the Title Policy requested by it, the additional premium attributable to an Extended Coverage Owner's Policy of Title Insurance, if requested by it, (b) one-half (1/2) of all sales, excise, documentary, real estate conveyance, and transfer taxes applicable to the sale which are imposed by any governmental authority, (c) one-half (1/2) of the Escrow Agent's fees, (d) all costs of recording documents and instruments pertaining to financing, if any, obtained by Buyer, (e) the costs of recording all documents and instruments to be recorded at the Closing, and (f) the cost of the Survey if applicable, and (f) all fees and expenses of Buyer's counsel.

5.5 Other Closing Costs. Any and all other closing costs not addressed herein shall be paid as is customary in similar commercial transactions in the jurisdiction in which the Property is located.

5.6 Prorations, Adjustments. All real property taxes, rentals, and utilities (if any) shall be prorated and adjusted between the Parties as of the Closing Date. To the extent that the tax statement covers land in addition to the Property, the overall tax amount will be allocated to land and improvements based on the land value and improvements value shown on the tax statement. The portion of the tax amount allocated to land value will then be allocated to the Property based on the area of the Property divided by the area of the entire property covered by the tax statement. Seller and Buyer hereby agree that any of the aforesaid prorations and adjustments which cannot be calculated accurately as of the Closing Date shall be prorated on the basis of the Parties' reasonable estimates, and shall be recomputed sixty (60) days after the Closing and either Party owing the other Party a sum of money based upon such subsequent proration adjustment shall promptly pay such sum to the other Party and, if payment is not made within ten (10) days after delivery of the bill therefor, shall pay interest thereon at the rate of eight percent (8%) per annum from the Closing Date to the date of payment. Buyer acknowledges that the tax value of the Property may be reassessed upon the change of ownership, and that a supplemental tax bill may be issued. If a supplemental tax bill is issued after the Closing Date, Buyer shall be solely responsible for any additional taxes due thereunder.

The obligations of this Subsection shall survive the Closing.

5.7 Bonds, Taxes and Assessments. All bonds, special taxes, improvement taxes and/or assessments, rollback taxes, school taxes, open space taxes, green belt taxes, industrial taxes or any other taxes or deferred taxes relating to the Property and any other deferred tax relating to the Property, if any, shall be paid by Seller at or prior to Closing.

5.8 Possession. Seller shall deliver possession of the Property to Buyer on the Closing Date.

6. Conditions Precedent to Closing.

6.1 Closing Conditions. Notwithstanding anything in this Agreement to the contrary, Buyer's obligation to complete Closing under this Agreement is contingent upon the following conditions being satisfied within the time specified below:

6.1.1. Inspection Period.

(a) Buyer shall have evaluated and approved, in Buyer's sole, absolute and unreviewable discretion, the suitability of the Property for its contemplated use, and the availability of all necessary permits and governmental approvals and any and all aspects of the Property. Buyer shall have a period of one hundred twenty (120) days (as the same may be extended under the terms of subsection (d) below) beginning on the later of (i) the Execution Date and (ii) the receipt by Buyer of all Information (hereinafter defined) (the "Inspection Period") within which to evaluate, inspect and review all matters related to the Property. In connection with this evaluation:

(i) Buyer and Buyer's agents, employees and independent contractors, may enter upon the Property at reasonable times for the purpose of inspecting and testing the same and Seller hereby grants Buyer the right to go upon the Property between the Execution Date and the Closing Date, at Buyer's expense, to make such surveys, tests and other site analyses as Buyer may require. Buyer shall indemnify Seller against all losses, damages, expenses, and claims that may arise by reason of Buyer's entry upon the Property pursuant to this Subsection and shall repair any damage to the Property caused by such entry. This provision shall survive the Closing or the termination of this Agreement.

(ii) Buyer may, in its discretion, retain one or more environmental consultants of its choosing to inspect the Property, including any soils, surface waters, wells, and groundwater on or under the Property and conduct such tests, samples, engineering studies, and examinations upon the Property as Buyer or any such consultants deem appropriate to determine the environmental condition of the Property and the existence or nonexistence of Environmental Contamination or environmental hazards on or about the Property including any past or current generation, storage, release, threatened release, disposal, and presence and location of asbestos, PCB transformers, Petroleum products, flammable explosives, underground storage tanks or other Hazardous Substances. Buyer shall indemnify Seller against all loss, damages, expenses and claims that may arise by reason of Buyer's inspection, testing and examination of the Property pursuant to this Subsection and shall repair any damages to the Property caused by such inspection, testing or examination. Within ten (10) days after the Execution Date, Seller agrees to make available to Buyer any environmental studies or Commitments related to the Property in Seller's possession, Buyer acknowledges and agrees that Seller is not making, and will not make, any representations or warranties of any kind or nature concerning or related to the environmental studies or Commitments made available to it by Buyer, including their accuracy, content, thoroughness of investigation or the competence or ability of the

persons or companies preparing the same. This provision shall survive the Closing or the termination of this Agreement.

(iii) Within ten (10) days after the Execution Date, Seller shall (at no cost to Buyer) deliver to Buyer copies of documents or matters which are either in its possession or under its control relating to: (a) land use, preapplications, minutes of governmental agencies and formal and informal land use applications concerning the Property; (b) Hazardous Substances on, in or under the Property, including environmental Commitments, tests and studies (draft and/or final) concerning the Property; (c) surveys, topographical Commitments and/or engineering Commitments concerning the Property; (d) soil and water tests or Commitments concerning the Property; (e) the location and capacity of the utilities which service the Property; (f) wetlands Commitments; and (g) all other documents which would aid Buyer in its investigation and analysis of the Property (collectively, "Information"). Seller covenants and agrees that if, prior to the termination of this Agreement or the Closing Date, it receives any Information, it will immediately upon receipt provide Buyer with a copy of the same.

(b) Buyer shall have obtained, reviewed and approved the Title Commitment and all other title-related documents to be provided pursuant to Subsection 4.2.

(c) Buyer shall have obtained, reviewed and approved the Survey.

(d) (i) Buyer shall have (1) successfully changed the water and sewer category respecting the Property (from category 5 to category 3) and (2) successfully subdivided the property into a separate lot of record (collectively, "Buyer's Undertakings"). Buyer shall use its good faith, diligent efforts to complete Buyer's Undertakings, at Buyer's sole cost and expense as soon as reasonably practicable, but in no event later than two (2) years and (4) months after the Execution Date. Seller agrees to reasonably cooperate with Buyer with respect to Buyer's Undertakings, at no or nominal cost to Seller (for example, by signing applications, plats, etc. prepared by Buyer).

(ii) In order to complete Buyer's Undertakings, Buyer shall have the right to extend the Inspection Period described above for two (2) successive one (1) year periods. In order to exercise each such extension option, Buyer shall provide Seller with written notice thereof (each, an "Extension Notice") prior to the then current expiration date of the Inspection Period.

(iii) If Buyer, at its option, elects to extend the Inspection Period as set forth in subsection (ii) above, then Buyer shall be deemed to have also agreed to pay the annual real estate taxes for the Property for each of such 1-year extension periods, as well as the annual grounds maintenance expenses for the Property, all not to exceed the sum of \$7,500 per annum. Accordingly, if Buyer elects to extend the Inspection Period as set forth above, then contemporaneously with its delivery of an Extension Notice to Seller, Buyer shall tender the sum of \$7,500 to Seller which is intended to reimburse Seller for the real estate taxes and grounds maintenance expenses for the Property for the ensuing 12-month period. Said sums shall not be credited against the Purchase Price otherwise payable by Buyer, and shall not be refundable to Buyer if Buyer elects to terminate this Agreement under this Section 6.1.1

6.1.2 On or prior to the expiration of the Inspection Period, Buyer may either (i) in its sole, absolute and unreviewable discretion, terminate this Agreement by giving written notice thereof to Seller, at which time Buyer shall be entitled to a refund of the Deposit, less One Hundred and No/100 Dollars (\$100.00) which shall be paid to Seller as consideration for entering into this Agreement and less one-half (½) of any escrow fee; or (ii) provide Seller with written notice that it is satisfied with the Property and is prepared to proceed to Closing. If no notice is received by Buyer prior to the expiration of the Inspection Period, Buyer shall be deemed to have elected to terminate pursuant to subsection (i) above.

6.1.3 Intentionally omitted.

6.1.4 Additional Conditions Precedent. Buyer's obligation to purchase the Property on the Closing Date is also subject to the satisfaction or waiver by Buyer of the following additional conditions precedent which must be satisfied on or before the Closing Date:

(a) The representations and warranties of Seller set forth in Section 8 shall be true, correct and complete in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made as of the Closing Date.

(b) There shall be no effective injunction or restraining order of any nature issued by a court of competent jurisdiction which shall direct that this Agreement or the transaction contemplated herein not be consummated.

(c) Seller shall have fully complied with all of the covenants in this Agreement on its part to be performed on or prior to the Closing Date.

(d) The Property shall have sufficient utilities for development and Buyer's intended use. In the event utilities are not sufficient, Seller shall grant to Buyer the necessary easements and/or provide for construction of applicable utilities to the Property reasonably requested by Buyer.

(e) The Property being properly zoned for Buyer's intended use as a facility for the provision of behavioral health services for children and young adults with no change in zoning or rezoning required. Buyer shall be satisfied that it can use the Property for its intended use, including without limitation, obtaining commitments or agreements with potential tenants or other proposed users.

6.2 Effect of Failure to Satisfy Conditions. If the conditions precedent set forth in Subsection 6.1 hereof are not satisfied within the respective time periods set forth therein then, in addition to any rights afforded by this Agreement, Buyer shall be entitled to terminate this Agreement and receive back the Deposit and any Additional Deposit.

6.3 Termination of Agreement.

6.3.1 Termination by Buyer. If this Agreement is terminated by Buyer: (a) during the Inspection Period (as may be extended); (b) as a result of the failure to satisfy or waive all conditions and contingencies contained herein; (c) pursuant to Subsections 12.13 or 12.14; or (d) as a result of Seller's breach of this Agreement (each a "Buyer's Termination

Event”), then, in any of those events: (i) Buyer and Seller shall execute and deliver to the Escrow Agent escrow cancellation instructions; (ii) except as otherwise provided herein, this Agreement shall be of no further force or effect; and (iii) the Deposit less (a) one-half (½) of any escrow fee and (b) one hundred dollars (\$100.00) which shall be paid to Seller as consideration for entering into this Agreement and the balance of the amounts paid by Buyer to the Escrow Agent and all interest thereon shall be returned to Buyer.

6.3.2 Seller’s Remedies Upon a Breach by Buyer. IN THE EVENT THIS AGREEMENT IS BREACHED BY BUYER, INCLUDING AN INTENTIONAL BREACH, BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES SELLER MAY SUFFER. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF SUCH BREACH AN AMOUNT EQUAL TO THE DEPOSIT (LESS ANY ESCROW FEE), TOGETHER WITH ALL INTEREST THEREON, AND THAT THIS SHALL BE SELLER’S SOLE AND EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY). THIS AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR A BREACH HEREUNDER BY BUYER, INCLUDING, BUT NOT LIMITED TO, INTENTIONAL BREACH BY BUYER, ALL OTHER CLAIMS TO DAMAGE OR OTHER REMEDIES BEING HEREIN EXPRESSLY WAIVED BY SELLER (EXCEPT FOR SELLER’S RIGHTS UNDER SUBSECTION 12.9). THE PAYMENT OF THIS AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. UPON AN UNCURED BREACH OR DEFAULT BY BUYER, NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF SELLER TO COLLECT SUCH LIQUIDATED DAMAGES AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT. PRIOR TO EXERCISING ITS RIGHT TO COLLECT AND RETAIN THE LIQUIDATED DAMAGES SET FORTH ABOVE AS A RESULT OF A DEFAULT OF OR BREACH BY BUYER, SELLER SHALL GIVE BUYER WRITTEN NOTICE OF ANY ALLEGED BREACH AND BUYER SHALL HAVE A PERIOD OF FIFTEEN (15) DAYS, BUT NOT LATER THAN THE CLOSING DATE, TO CURE SUCH BREACH. THE PARTIES AGREE TO EXECUTE, WITHIN FIVE (5) DAYS FOLLOWING THE TERMINATION OF THIS AGREEMENT, IN ACCORDANCE WITH THIS SUBSECTION, IRREVOCABLE WRITTEN INSTRUCTIONS TO THE ESCROW AGENT CONTAINING THE PROVISIONS OF THIS SUBSECTION, AND THAT NO FURTHER INSTRUCTIONS TO ESCROW AGENT SHALL BE NECESSARY TO RELEASE THE DEPOSIT TO SELLER AS LIQUIDATED DAMAGES. BUYER’S RIGHT TO TERMINATE AS PROVIDED IN THIS AGREEMENT SHALL NOT BE CONSIDERED A BREACH AND SHALL NOT ENTITLE SELLER TO LIQUIDATED DAMAGES PURSUANT TO THIS SECTION.

6.3.3 Buyer’s Remedies Upon the Default of Seller. In the event Seller defaults under any of the terms of this Agreement on or prior to the Closing Date (including by failing or refusing to deliver any documents or Information required to be delivered pursuant hereto), Buyer shall be entitled to: (a) compel specific performance of this Agreement, in which event Buyer may also recover its damages incurred as a result of such default, including all of its reasonable costs and attorney fees in seeking such specific performance; or (b) if specific performance is not possible or if Buyer elects not to pursue specific performance, receive a refund of the Deposit, together with all interest thereon and recover its damages resulting from said default, including all out-of-pocket costs, which include reasonable attorney fees. Prior to exercising its right to the remedies set forth above, Buyer shall give Seller written notice of

any alleged default and Seller shall have a period of fifteen (15) days, but not later than the Closing Date, to cure such default.

6.3.4 Waiver of Mutuality of Remedies. The Parties hereby waive mutuality of remedies.

7. Ongoing Operations. From the Effective Date through the Closing Date or the earlier termination hereof:

7.1.1 Operation of Property. Seller shall maintain the Property in substantially its current condition and in compliance with all applicable laws and regulations. Except as necessary to comply with the preceding sentence, Seller shall not make any material alterations to the Property or any portion thereof without Buyer's prior written consent. Seller will perform its obligations under all agreements that may affect the Property.

7.1.2 New Contracts. Seller shall not, without Buyer's prior written consent in each instance, amend, terminate, exercise any rights or options under, grant concessions regarding, or enter into any contract or agreement that will be an obligation affecting the Property or binding on Buyer after Closing, except contracts entered into in the ordinary course of business that are terminable without cause or penalty on 30-days' notice (and Seller shall terminate any such contracts on the Closing Date, unless such contracts are accepted by Buyer.

7.1.3 Listings and Other Offers. Seller will not list the Property with any broker or otherwise solicit or make or accept any offers to sell all or any part of the Property, engage in any discussions or negotiations with any third party with respect to the sale or other disposition of the Property, or enter into any contracts or agreements (whether binding or not) regarding any disposition of all or any part of the Property.

7.1.4 Maintenance of Insurance. Seller shall carry its existing insurance through the Closing Date, and shall not allow any breach, default, termination or cancellation of such insurance policies or agreements to occur or exist.

7.1.5 Maintenance of Permits. Seller shall maintain in existence all licenses, permits and approvals necessary or reasonably appropriate to the ownership, operation or improvement of the Property.

7.1.6 Other Actions. Neither Seller, nor its employees, agents or contractors, shall take or fail to take any action that causes Seller's representations or warranties to become untrue or that causes one or more of Buyer's conditions to Closing to be unsatisfied.

8. Seller's Warranties and Representations. As a material inducement to cause Buyer to enter into this Agreement, Seller represents and warrants to Buyer that:

8.1 Authority. Seller has the authority and power to enter into this Agreement and to consummate the transactions provided for by this Agreement. Consummation of such transactions will not breach any material agreement to which it is a party.

8.2 Title. Seller has good and marketable fee simple title to the Property and at Closing such title shall be subject only to the encumbrances determined in accordance with this Agreement.

8.3 Service Contracts. There are no written service contracts, art contracts, leasing listing agreements, landscaping contracts, equipment leases, maintenance agreements, open purchase orders and other contracts for the provision of labor, services, materials or supplies to or for the benefit of the Property which will affect or be obligations of Buyer or of the Property or any portion thereof following Closing.

8.4 Agreements Affecting the Property. At Closing, there will be no unrecorded leases, easements, encumbrances, or other agreements affecting the Property except as shown on the Title Commitment, or as otherwise disclosed to Buyer by Seller in writing and approved by Buyer.

8.5 Outstanding Taxes. There are no outstanding ad valorem taxes, including, but not limited to improvement taxes or assessments, rollback taxes, school taxes, open space taxes, green belt taxes, industrial taxes or any other taxes or deferred taxes relating to the Property which will affect or be obligations of Buyer or of the Property or any portion thereof following Closing.

8.6 Information. The Information delivered to Buyer pursuant to this Agreement or in connection with the execution hereof are, and at Closing will be (a) true and correct copies; and (b) in full force and effect.

8.7 No Notices of Violations. Seller has received no notice of any failure of Seller to comply with any applicable governmental requirements in respect of the development, use and occupation of the Property, including environmental, zoning, platting and other land use requirements which have not been heretofore corrected to the satisfaction of the appropriate governmental authority.

8.8 Compliance with Law. The Property and the existing uses of the Property, are in material compliance with all applicable laws, ordinances, rules, regulations, and requirements of all governmental authorities having jurisdiction thereof, including those pertaining to zoning, building, housing, water, use, safety, fire, health and the environment.

8.9 No Litigation or Proceedings. There are no actions, suits, proceedings or investigations pending or threatened, before any agency, court, or other governmental authority which relates to the ownership, maintenance, development or operation of the Property or which could become a liability of Buyer or the Property or any portion thereof following Closing.

8.10 Condemnation.

8.10.1 Eminent Domain Proceedings. There is no condemnation or eminent domain proceeding affecting the Property or any portion thereof currently pending or threatened.

8.10.2 Takings by Eminent Domain. There have been no takings by condemnation or eminent domain of any land of which the Property was a part and for which

compensation has not been paid or for which compensation has been paid within the past three (3) years.

8.11 No Defaults. Seller is not in default and has not received notice of any default or breach by Seller under any covenants, conditions, restrictions, rights-of-way, or easements which may affect Seller in respect to the Property or may affect the Property or any portion thereof and no condition exists that with the passage of time or giving notice or both would constitute such a default.

8.12 Seller Not a Foreign Person. Seller is not a foreign person as defined in Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended. Seller will deliver to Buyer at Closing a Certificate of Nonforeign Status, in a form reasonably acceptable to Buyer certifying the correctness of this Subsection.

8.13 No Attachments. There are no attachments, executions, assignments for the benefit of creditors, or proceedings in bankruptcy or under any other debtor relief laws contemplated by or pending or, to the knowledge of Seller, threatened by or against Seller.

8.14 No Mechanics' Liens. There are no pending or threatened mechanics' or materialmen's liens recorded against the Property.

8.15 Special Assessments. No special or general assessments have been levied on or with respect to the Property that are unpaid by Seller as of the date hereof, or that will be unpaid by Seller as of the date of Closing.

8.16 Zoning. The Property is currently zoned RA and under said zoning classification a facility for the provision of behavioral health services for children and young adults is a permitted use.

8.17 Environmental Conditions. No Hazardous Substances are, will be, or have been, stored, treated, disposed of or incorporated into, on or around the Property in violation of any applicable statutes, ordinances or regulations, excepting only normal farming chemicals and nitrates.

8.18 Utilities. There are sufficient utilities, including gas, water, sewer, electricity, cable, telecommunications, etc. extended onto and within the boundaries of the Property for Buyer's intended use.

8.19 Drainage. The Property drains run off, rain and other water sufficiently to accommodate the development of the Property as well as any adjacent property that drain on or towards the Property.

8.20 No Fill or Proper Compaction. The Property is not filled or if filled, it has been filled properly and Seller shall provide Buyer with letters of compaction or other information evidencing such to Buyer's satisfaction.

8.21 Association. Seller represents and warrants that there is no association or other private entity or group which has approval or assessment rights against the Property. Seller represents and warrants that it is not in default or received any notice of violation from such

association and all dues, assessments or other amounts assessed by said association have been paid in full by Seller.

8.22 Representations To Be Correct at Closing. All of the representations and warranties of Seller contained in this Agreement shall be true and correct as of the Execution Date and as of the Closing and shall survive the Closing.

8.23 No Untrue Statements. None of the foregoing representations and warranties contain any untrue statement or material fact or fails to state any material fact necessary to make such representations and warranties not misleading.

8.24 Corrective Notices; Liability. If after the Execution Date, but prior to the Closing Date, Seller becomes aware that any of Seller's representations set forth herein are no longer true and correct, then Seller shall provide Buyer with written notice stating that Seller believes that such representations are no longer accurate and the general nature of the change. Within ten (10) business days after receipt of such notice, Buyer shall either: (a) terminate this Agreement and the Deposit shall be returned to Buyer (in which event Buyer shall retain its right to recover its actual damages, limited to actual out-of-pocket expenses, incurred by Buyer and determined according to proof, if any, resulting from such inaccuracy); or (b) waive its rights on such account and elect to consummate the transaction herein contemplated, in which event Buyer shall be deemed to have waived all rights and remedies with respect to those matters specifically set forth in such notice. Notwithstanding the foregoing, nothing in this Agreement shall limit Buyer's rights and remedies if such representation or warranty was intentionally or willfully misrepresented by Seller to Buyer as of the Execution Date or if Buyer discovers an incorrect material representation or warranty following the Closing Date which Seller had knowledge of before Closing and failed to disclose to Buyer.

9. Buyer's Warranties and Representations.

Buyer represents and warrants to Seller as follows:

9.1 Authority. Buyer is fully authorized to enter into and perform its obligations under this Agreement and any other agreement or instrument necessary to consummate the transaction contemplated by this Agreement.

9.2 No Defaults. To the best of Buyer's knowledge, neither Buyer's execution of this Agreement nor Buyer's performance of its obligations hereunder will violate, or constitute a default under or breach of, any agreement between Buyer and any third party or by which Buyer is bound.

9.3 No Proceedings. There is neither pending nor, to the knowledge of Buyer, any threatened legal action, arbitration or administrative hearing before any governmental authority to which Buyer is a party and which could enjoin or restrict Buyer's right or ability to perform its obligations under this Agreement.

9.4 No Attachments. There are no attachments, executions, assignments for the benefit of creditors, or proceedings in bankruptcy or under any other debtor relief laws contemplated by or pending or, to the knowledge of Buyer, threatened by or against Buyer.

9.5 No Untrue Statements. None of the foregoing representations and warranties contain any untrue statement or material fact or fails to state any material fact necessary to make such representations and warranties not misleading.

9.6 Representations. All representations and warranties contained in this Section shall be deemed made as of the Execution Date, shall be renewed as of the Closing and shall survive the Closing.

10. Survival of Warranties and Representations.

Notwithstanding anything to the contrary in this Agreement, all covenants contained in this Agreement which by their nature impliedly or expressly involve performance after Closing and all representations and warranties of Seller contained in this Agreement shall survive Closing. Any inspection of the Property or of Seller's records, by Buyer or its representatives shall not be construed as a waiver of any representation or warranty contained in this Agreement.

11. Brokers. Buyer represents that it is not represented by a broker other than Mosaic Realty, LLC ("Buyer's Broker"), who shall be paid a fee of \$25,000 in connection with the Closing under this Agreement. Seller represents that it is not represented by a broker and is not responsible for the payment of any commission other than to NAI Michael Companies ("Seller's Broker") in the amount of [REDACTED] % of the Purchase Price (Seller's Broker and Buyer's Broker may be collectively referred to as "Broker"). Seller agrees to pay at Closing to any and all brokers, including without limitation, Buyer's Broker and Seller's Broker, or any finder or any other party who claims a commission, fees or other cost arising from or related to the sale contemplated by this Agreement (collectively, the "Brokers' Commission"). Seller and Buyer each hereby agree to indemnify and hold the other harmless from all loss, costs, damage or expenses (including reasonable attorney fees) incurred by the other as a result of any claim arising out of the acts of the indemnifying Party (or others on its behalf) for a commission, finder's fee or similar compensation made by any other broker, finder, or party who claims to have dealt with such Party other than Broker. The provisions of this Section shall survive the Closing or termination of this Agreement.

12. Miscellaneous.

12.1 Notices. Whenever a Party to this Agreement is required or permitted under this Agreement to provide the other Party with any notice, request, demand, consent or approval ("Notices"), the Notices will be given in writing and will be delivered to the other Party at the address or facsimile number set forth below: (a) personally; (b) by a reputable overnight courier service; (c) by certified mail, postage prepaid, return receipt requested; or (d) by facsimile transmission. Either Party may change its address for Notices by written notice to the other Party delivered in the manner set forth above. Notices will be deemed to have been duly given: (1) on the date personally delivered; (2) one (1) Business Day after delivery to an overnight courier service with next-day service requested; (3) on the third (3rd) Business day after mailing, if mailed using certified mail; or (4) on the date sent when delivered by facsimile (so long as the sender receives electronic confirmation of receipt and a copy of the Notice is sent by one of the other means permitted hereunder on or before the next Business Day).

IF TO BUYER: Seasons Residential Treatment Program, LLC

Attn: Ty Johnson
Telephone: _____
Fax: _____
tyjohnson@seasonsdc.com

With a copy to: Mike Garone
Director of Development
Strategic Behavioral Health
8295 Tournament Drive, Suite 201
Memphis, Tennessee 38125
Telephone: Office (901) 969-3100
Cell (901) 277-6522
Fax: _____

With a copy to: David K. West
Principal Broker
Mosaic Realty, LLC
8002 Quill Point Drive
Bowie, MD 20720
(202) 251-7056 direct
Fax: _____

With a copy to: Laurence Roscher, Esq.
Roscher & Associates, P.C.
7910 Woodmont Avenue, Suite 1320
Bethesda, MD 20814
Telephone: (301) 312-8561
Fax: (301) 312-8579
lroscher@roscherlaw.com

IF TO SELLER: _____

Telephone: _____
Fax: _____

With a copy to: _____

Telephone: _____
Fax: _____

12.2 Assignment. Except as otherwise specifically provided for herein, the Parties shall be entitled to assign their rights and obligations under this Agreement only upon obtaining the other Party's prior written consent, which will not be unreasonably withheld; notwithstanding the foregoing, the Buyer shall have the right to assign this Agreement, without the Seller's consent, to any related or affiliated entity. Unless otherwise agreed by a Party in writing, no such assignment shall release the other Party from its obligations under this Agreement.

12.3 Amendments. This Agreement may be amended or modified only by a written instrument executed by the Party or Parties asserted to be bound thereby.

12.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located without regard to the conflict of laws principles of such state. The federal and state courts within the state where the Property is located shall have exclusive jurisdiction to adjudicate any dispute arising out of this Agreement. All parties hereto expressly consent to:

12.4.1 the personal jurisdiction of the federal and state courts within the county and state within which the Property is located and

12.4.2 service of process being effected upon them by registered mail sent to the addresses set forth in Subsection 12.1.

12.5 Merger of Prior Agreements. This Agreement and the exhibits hereto constitutes the entire agreement between the Parties with respect to the purchase and sale of the Property and supersedes all prior and contemporaneous agreements and understandings between the Parties hereto relating to the subject matter hereof. Each Party acknowledges and agrees that except for the specific representations, warranties and covenants contained in this Agreement, the other Party and its agents have not made any representations, warranties or covenants to it.

12.6 Time is of the Essence. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

12.7 No Joint Venture or Third Party Beneficiary. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between Buyer and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a Party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder. Notwithstanding the foregoing, SBH is an intended third party beneficiary of Section 3.2.2, and shall be entitled to enforce such provisions in any court and to obtain any legal or equitable remedy for breach thereof in accordance with applicable law.

12.8 Further Acts. Each Party shall, at the request of the other, execute, acknowledge (if appropriate) and deliver whatever additional documents, and do such other acts, as may be reasonably required in order to accomplish the intent and purposes of this Agreement.

12.9 Professional Fees and Costs. If any legal or equitable action, appeal, arbitration, bankruptcy, reorganization, or other proceeding, whether on the merits, application or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, then the successful or prevailing Party or Parties in such undertaking (or the Party that would prevail if an action were brought) shall be entitled to recover reasonable attorney and other professional fees, expert witness fees, court costs and other expenses incurred in such action, proceeding or discussions, in addition to any other relief to which such Party may be entitled. The Parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such Party reasonably incurs expenses. The provisions of this Section shall survive the Closing or the termination of this Agreement.

12.10 Dates of Performance. In the event that any date for performance by either Party of any obligation hereunder required to be performed by such Party falls on a Saturday, Sunday or nationally recognized holiday, the time for performance of such obligation shall be deemed extended until the next business day following such date.

12.11 Counterparts and Execution by Facsimile. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Delivery of an executed copy of this Agreement by facsimile, telecopy, telex or other means of electronic communication producing a printed copy will be deemed to be an execution and delivery of this Agreement on the date of such communication by the Party so delivering such a copy. The Party so delivering such a copy via electronic communication shall deliver an executed original of this Agreement to the other Party within five (5) business days of the date of delivery of the electronic communication.

12.12 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise make ineffective any other provision of this Agreement.

12.13 Eminent Domain. If prior to the date of the Closing, Seller acquires knowledge of any pending or threatened action, suit or proceeding to condemn or take all or any part of the Property under the power of eminent domain, then Seller shall immediately give notice thereof to Buyer. Upon receipt of such notice, Buyer may terminate this Agreement and this Agreement shall be null and void, whereupon the full amount of the Deposit, minus one-half (½) the escrow cancellation fee, shall be paid by Escrow Agent to Buyer, and all Parties shall thereupon be relieved of all further liability hereunder. If Buyer does not terminate this Agreement, and the Closing occurs, then Buyer shall be entitled to the proceeds of any condemnation award available.

12.14 Casualty. If, prior to the date of the Closing the Property, or any portion thereof, shall be damaged or destroyed by reason of fire (including without limitation smoke damage), an earthquake or other casualty, then Seller shall immediately give notice thereof to Buyer. Upon receipt of such notice, Buyer may terminate this Agreement and this Agreement shall be null and void, whereupon the full amount of the Deposit, minus any escrow fee, shall be paid by the Escrow Agent to Buyer, and all Parties shall thereupon be relieved of all further liability

hereunder. If Buyer does not terminate this Agreement, and the Closing occurs, then Buyer shall be entitled to the insurance proceeds available as a result of the casualty, if any.

12.15 Development Applications. Seller agrees to cooperate with Buyer in conjunction with any development applications or permit applications which Buyer may desire to submit to governmental authorities while this Agreement is in force, provided that Buyer pays all expenses associated with any of the foregoing documents or processes and that no agreement to be executed by Seller is binding upon Seller or the Property unless and until the Closing.

12.16 No Public Disclosure. Before the Closing, neither Buyer nor Seller shall make any public release of information regarding the matters contemplated herein, except as mutually agreed to in writing by Buyer and Seller. Seller acknowledges and agrees that the transactions contemplated by this Agreement, and Buyer's plans for the Property and matters related thereto, are not otherwise known by or readily available to the public and the plans, persons involved, terms, conditions and negotiations concerning the same shall be held in the strictest confidence by Seller and shall not be disclosed by Seller except to its counsel, and except and only to the extent that such disclosure may be necessary for its performance hereunder. Seller agrees that it shall instruct each of its counsel to maintain the confidentiality of such information. The provisions of this Section shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the Parties have signed this Agreement the day and year set forth below.

SELLER:

ROMAN CATHOLIC ARCHDIOCESE OF WASHINGTON

By: _____

Its: _____

Dated: _____

BUYER:

SEASONS RESIDENTIAL TREATMENT PROGRAM, LLC, a Maryland limited liability company

By: Tyeaesis Johnson
DocuSigned by: _____

Its: *Tyeaesis Johnson* _____

Dated: F2B1428AA2AC1E/2015 _____

EXHIBIT A

Exhibit 3



Center for Medicaid and State Operations/Survey and Certification Group

Ref: S&C-07-15

DATE: February 16, 2007
TO: State Survey Agency Directors
FROM: Director
Survey and Certification Group
SUBJECT: Psychiatric Residential Treatment Facilities (PRTF) Clarification

Memorandum Summary

- Clarifies that a PRTF, as identified at 42 C.F.R. 483.352, is a separate, stand alone entity providing a range of comprehensive services to treat the psychiatric condition of residents on an inpatient basis under the direction of a physician.
- Reinforces that a PRTF resident population must meet all certification of need requirements as identified under 42 C.F.R. Part 441, Subpart D – Inpatient Psychiatric Services for Individuals Under Age 21 in Psychiatric Facilities or Programs.
- Reinforces that a PRTF is subject to survey and certification of the entire facility and must meet all requirements under Part 483, subpart G – Condition of Participation for the Use of Restraint or Seclusion in Psychiatric Residential Treatment Facilities.

Issue

There has been a recent influx of providers to become certified as PRTFs. Many of these facilities are residential treatment facilities (RTF) or residential treatment centers (RTC) that provide services to children who may need a variety of services, but who may not need the intensive services indicated for those who would be placed in a PRTF. This memo clarifies what is meant by Psychiatric Residential Treatment Facility and the nature of the services it provides for purposes of directing State surveyors.

Historical Development of Psychiatric Residential Treatment Facilities

The Social Security Amendments of 1972 amended the Medicaid statute to, among other things, allow States the option of covering inpatient psychiatric hospital services for individuals under age 21 (Psych under 21-benefit). Originally the statute required that the psych under 21-benefit be provided by psychiatric hospitals. In 1976 final regulations were published implementing the psych under 21-benefit. Section 4755 of the Omnibus Budget Reconciliation Act (OBRA '90) amended section 1905(h) of the Act to specify that the psych under 21-benefit can be provided in psychiatric hospitals that meet the definition of that term in section 1861(f) of the Act "or in another inpatient setting that the Secretary has specified in regulations."

needs of the resident and that according to §441.152 “(2) proper treatment of the resident’s psychiatric condition requires services on an inpatient basis under the direction of a physician; and (3) the services can reasonably be expected to improve the resident’s condition or prevent further regression so that the services will no longer be needed.” As CMS clarified in the 2001 interim final rule (66 FR 28111); payment for inpatient psychiatric services to individuals under age 21 includes the need for room and board as well as the provision of a comprehensive package of services.

PRTF services – who does it serve?

- All PRTF residents according to regulation must need inpatient services to treat his or her psychiatric condition under the direction of a physician and the services provided must be reasonably expected to improve the resident’s condition or prevent further regression so that the services will no longer be needed.
- The psych under 21-benefit is an optional Medicaid benefit. States can determine which psychiatric conditions would fall under this benefit and for which the State will reimburse payment for services rendered. For example, such diagnoses may include paranoid schizophrenia, post-traumatic stress disorder, depression, and/or hyperactivity-attention deficit disorder. Although what psychiatric conditions are covered may differ based on State determinations, (see appendix B), the federal requirements that are established in sections 441.150 through 441.156 must be applied consistently across all States.

PRTFs vs. Residential Treatment Facilities (RTFs) or Residential Treatment Centers (RTCs)

There has been a recent influx of RTFs/RTCs who request to become certified as PRTFs. RTFs or RTCs provide a mixed level of service to children who do not need the intensive services of a PRTF. To be certified as a PRTF, the facility must attest to meeting the Conditions of Participation (CoP) found at 42 C.F.R. Part 483 Subpart G, and attest that all its residents meet the certification of need requirements as identified under 42 C.F.R. Part 441, Subpart D – Inpatient Psychiatric Services for Individuals under Age 21 in Psychiatric Facilities or Programs, as discussed above.

The Social Security Act and federal regulations, expressly identify that services under the psych under 21-benefit can be provided in distinct parts found in psychiatric hospitals; however, a PRTF is not identified as a distinct part of another facility.

Any facility that wishes to be certified as a PRTF must adhere to the following:

1. Survey and Certification review of the entire facility:

Based on CMS standards and existing policy under CMS, the survey process described in the State Operations Manual (SOM), section 2714.1, states that:

The CoPs/Requirements apply to the entire certified provider/supplier and to all patients/residents being served by the certified entity, regardless of payment source unless stated otherwise in the regulations. This means that the surveyors may review the care of private pay patients/residents when surveying a Medicare/Medicaid approved provider or supplier. This policy is based on the premise that it is the provider or supplier

Appendix A: Part 441, Subpart D – Inpatient Psychiatric Services for Individuals Under Age 21 in Psychiatric Facilities or Programs, §§ 441.150-441.156.

Sec. 441.150 Basis and purpose.

This subpart specifies requirements applicable if a State provides inpatient psychiatric services to individuals under age 21, as defined in Sec. 440.160 of this subchapter and authorized under section 1905 (a)(16) and (h) of the Act.

Sec. 441.151 General requirements.

(a) Inpatient psychiatric services for individuals under age 21 must be:

(1) Provided under the direction of a physician;

(2) Provided by--

(i) A psychiatric hospital or an inpatient psychiatric program in a hospital, accredited by the Joint Commission on Accreditation of Healthcare Organizations; or

(ii) A psychiatric facility that is not a hospital and is accredited by the Joint Commission on Accreditation of Healthcare Organizations, the Commission on Accreditation of Rehabilitation Facilities, the Council on Accreditation of Services for Families and Children, or by any other accrediting organization with comparable standards that is recognized by the State.

(3) Provided before the individual reaches age 21, or, if the individual was receiving the services immediately before he or she reached age 21, before the earlier of the following--

(i) The date the individual no longer requires the services; or

(ii) The date the individual reaches 22; and

(4) Certified in writing to be necessary in the setting in which the services will be provided (or are being provided in emergency circumstances) in accordance with Sec. 441.152.

(b) Inpatient psychiatric services furnished in a psychiatric residential treatment facility as defined in Sec. 483.352 of this chapter, must satisfy all requirements in subpart G of part 483 of this chapter governing the use of restraint and seclusion.

Sec. 441.152 Certification of need for services.

(a) A team specified in Sec. 441.154 must certify that--

(1) Ambulatory care resources available in the community do not meet the treatment needs of the recipient;

(2) Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician; and

(3) The services can reasonably be expected to improve the recipient's condition or prevent further regression so that the services will no longer be needed.

(b) The certification specified in this section and in Sec. 441.153 satisfies the utilization control requirement for physician certification in Sec. Sec. 456.60, 456.160, and 456.360 of this subchapter.

Sec. 441.153 Team certifying need for services.

Certification under Sec. 441.152 must be made by terms specified as follows:

(a) For an individual who is a recipient when admitted to a facility or program, certification must be made by an independent team that--

(a) The individual plan of care under Sec. 441.155 must be developed by an interdisciplinary team of physicians and other personnel who are employed by, or provide services to patients in, the facility.

(b) Based on education and experience, preferably including competence in child psychiatry, the team must be capable of--

(1) Assessing the recipient's immediate and long-range therapeutic needs, developmental priorities, and personal strengths and liabilities;

(2) Assessing the potential resources of the recipient's family;

(3) Setting treatment objectives; and

(4) Prescribing therapeutic modalities to achieve the plan's objectives.

(c) The team must include, as a minimum, either--

(1) A Board-eligible or Board-certified psychiatrist;

(2) A clinical psychologist who has a doctoral degree and a physician licensed to practice medicine or osteopathy; or

(3) A physician licensed to practice medicine or osteopathy with specialized training and experience in the diagnosis and treatment of mental diseases, and a psychologist who has a master's degree in clinical psychology or who has been certified by the State or by the State psychological association.

(d) The team must also include one of the following:

(1) A psychiatric social worker.

(2) A registered nurse with specialized training or one year's experience in treating mentally ill individuals.

(3) An occupational therapist who is licensed, if required by the State, and who has specialized training or one year of experience in treating mentally ill individuals.

(4) A psychologist who has a master's degree in clinical psychology or who has been certified by the State or by the State psychological association.

State	Criteria – Psych under 21-benefit*	Department	Source of Information
Florida	Minimum criteria: 1. Services can be expected to improve or prevent further regression 2. <u>DSM IV diagnosis</u> 3. A serious impairment in functioning compared to others of the same age due to psychiatric diagnosis, in one or more major life roles (school, family, interpersonal relations, self-care) 4. Child must be in good physical health	Agency for Health Care Administration	Medicaid Statewide Inpatient Psychiatric Program (SIPP) Services for Individuals Under 18-RFP
Georgia	Psych under 21-benefit is not currently part of State plan **		
Hawaii	Psych under 21-benefit is currently part of State plan – however no information readily available.		
Idaho	Children placed in residential treatment shall meet the CMH (community mental health) eligibility criteria of serious emotional disturbance (SED)	Department of Health and Welfare	Core Services Publication http://www.healthandwelfare.idaho.gov
Illinois	EPSDT	Dept of Children and Family Services	Section 95. Illinois Public Aid Code
Indiana	EPSDT	Indiana Family and Social Services Association	http://www.in.gov/fssa/disability/medicaid/serv.html
Iowa	85.3(3) Certification of need of care: 1. Determined by an Independent Team 2. Ambulatory Care services within community not sufficient 3. Care requires supervision by physician 4. Condition is expected to improve or be prevented from further regressing	Department of Human Services	Online Publication IAC 1/4/06 Chapter 85. Services in Psychiatric Institutions http://www.dhs.state.ia.us/policyanalysis/PolicyManual/Pages/Manual_Documents?Rules/441-85.pdf
Kansas	EPSDT	Dept of Social and Rehabilitation Services	Kansas Health Policy Authority Summary of State Plan Amendment Revisions 06.19.06
Kentucky	EPSDT	Cabinet for Health and Family Services	Directory of Services for Children and Youth with Special Health Care, Educational, and Vocational Rehabilitation Needs. Revised May 2005
Louisiana	Psych under 21-benefit is currently part of State plan – however no information readily available.		
Maine	EPSDT	Department of Health and Human Services	Maine Medical Assistance Manual Psychiatric Facility Services 46.03.1
Maryland	Presence of disorder from the DSM-IV-TR codes on applicable Axes(I-V)	Mental Hygiene Administration	Department of Health and Mental Hygiene MD Per- Susan Steinberg SSteinberg@dnhm.md.us

References to **EPSDT** means Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) of Individuals under age 21 (42 C.F.R. Part 441 – Subpart B).

** DHHS, CMS source: Medicaid At-A-Glance 2005. (See <http://www.cms.hhs.gov/medicaid/stateplans>).

State	Criteria – Psych under 21-benefit*	Department	Source of Information
Ohio	EPSDT Also known as Healthchek	Department of Job and Family Services	Publication of Ohio legal rights services, January 2006
Oklahoma	EPSDT	Department of Health and Human Services	http://mentalhealth.samsha.gov/Publications/allpubs/State_Med/Oklahoma.pdf
Oregon	EPSDT	Department of Human Services, Mental Health, and Disability Services	Oregon Administrative Rule 309-031-0200 Mental Health and Developmental Disability Services Division Administrative Rules OAR 309-031-0200 through 309-031-0255
Pennsylvania	EPSDT	Department of Public Welfare	Pennsylvania Code- Ch.1241
Rhode Island	EPSDT	Department of Human Services	Provider Update July 2002, vol 1117
South Carolina	EPSDT	Department of Human Services	South Carolina State Subsidy Plan
South Dakota	Psych under 21-benefit is not currently part of State plan **		
Tennessee	EPSDT	Department of Mental Health & Developmental Disabilities Office of Managed Care	TennCare Medicaid Brief Chapter 1200-13-13 Manual for Mental Health Coverage to Uninsured Tennesseans January 2006
Texas	EPSDT determines Medical Necessity	Department of Health and Human Services	Texas Administrative Code Title 25 Ch. 38, Rule 38.4 Children with Special Health Care Needs Services Programs (CSHCN).
Utah	CHEC screening, also known as EPSDT	Department of Health	Scope of Services (Article III) section of Utah's contract with Prepaid Mental Health Plans
Vermont	EPSDT	Department of Health; Agency of Human Services	www.vermont.gov
Virginia	Psych under 21-benefit is not currently part of State plan **		
Washington	Psych under 21-benefit is currently part of State plan – however no information readily available.		
West Virginia	PRTFs are long term treatment facilities that treat clients with, severe, complex symptoms, of a significant duration, that have not responded to other level of care. These admissions require pre-approval. They require an MCM-1 and other supportive documentation such as psychiatric evaluations, psychosocial evaluations, social summaries, progress reports, MDT notes, or any documentation that would support why the client needs long term psychiatric residential treatment.		Source: https://secure.wvmi.org/Priorauth/priorauth/PRTF_Children_under21.pdf
Wisconsin	Psych under 21-benefit is currently part of State plan – however no information readily available.		
Wyoming	Psych under 21-benefit is not currently part of State plan **		

* References to **EPSDT** means Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) of Individuals under age 21 (42 C.F.R. Part 441 – Subpart B).

** DHHS, CMS source: Medicaid At-A-Glance 2005. (See <http://www.cms.hhs.gov/medicaid/stateplans>).

- (1) Includes a physician;
 - (2) Has competence in diagnosis and treatment of mental illness, preferably in child psychiatry; and
 - (3) Has knowledge of the individual's situation.
- (b) For an individual who applies for Medicaid while in the facility of program, the certification must be--

- (1) Made by the team responsible for the plan of care as specified in Sec. 441.156; and
- (2) Cover any period before application for which claims are made.

(c) For emergency admissions, the certification must be made by the team responsible for the plan of care (Sec. 441.156) within 14 days after admission.

Sec. 441.154 Active treatment.

Inpatient psychiatric services must involve "active treatment," which means implementation of a professionally developed and supervised individual plan of care, described in Sec. 441.155 that is--

- (a) Developed and implemented no later than 14 days after admission; and
- (b) Designed to achieve the recipient's discharge from inpatient status at the earliest possible time.

Sec. 441.155 Individual plan of care.

(a) "Individual plan of care" means a written plan developed for each recipient in accordance with Sec. Sec. 456.180 and 456.181 of this chapter, to improve his condition to the extent that inpatient care is no longer necessary.

(b) The plan of care must--

(1) Be based on a diagnostic evaluation that includes examination of the medical, psychological, social, behavioral and developmental aspects of the recipient's situation and reflects the need for inpatient psychiatric care;

(2) Be developed by a team of professionals specified under Sec. 441.156 in consultation with the recipient; and his parents, legal guardians, or others in whose care he will be released after discharge;

(3) State treatment objectives;

(4) Prescribe an integrated program of therapies, activities, and experiences designed to meet the objectives; and

(5) Include, at an appropriate time, post-discharge plans and coordination of inpatient services with partial discharge plans and related community services to ensure continuity of care with the recipient's family, school, and community upon discharge.

(c) The plan must be reviewed every 30 days by the team specified in Sec. 441.156 to--

(1) Determine that services being provided are or were required on an inpatient basis, and

(2) Recommend changes in the plan as indicated by the recipient's overall adjustment as an inpatient.

(d) The development and review of the plan of care as specified in this section satisfies the utilization control requirements for--

(1) Recertification under Sec. Sec. 456.60(b), 456.160(b), and 456.360(b) of this subchapter; and

(2) Establishment and periodic review of the plan of care under Sec. Sec. 456.80, 456.180, and 456.380 of this subchapter.

Sec. 441.156 Team developing individual plan of care.

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the latest issuance of the State Operations Manual issued by CMS (CMS Pub. 7).

(h) *State MDS system and database requirements.* As part of facility agency responsibilities, the State Survey Agency must:

(1) Support and maintain the CMS State system and database.

(2) Specify to a facility the method of transmission of data, and instruct the facility on this method.

(3) Upon receipt of facility data from CMS, ensure that a facility resolves errors.

(4) Analyze data and generate reports, as specified by CMS.

(i) *State identification of agency that receives RAI data.* The State must identify the component agency that receives RAI data, and ensure that this agency restricts access to the data except for the following:

(1) Reports that contain no resident-identifiable data.

(2) Transmission of reports to CMS.

(3) Transmission of data and reports to the State agency that conducts surveys to ensure compliance with Medicare and Medicaid participation requirements, for purposes related to this function.

(4) Transmission of data and reports to the State Medicaid agency for purposes directly related to the administration of the State Medicaid plan.

(5) Transmission of data and reports to other entities only when authorized as a routine use by CMS.

(j) *Resident-identifiable data.* (1) The State may not release information that is resident-identifiable to the public.

(2) The State may not release RAI data that is resident-identifiable except in accordance with a written agreement under which the recipient agrees to be bound by the restrictions described in paragraph (i) of this section.

[62 FR 67212, Dec. 23, 1997, as amended at 74 FR 40363, Aug. 11, 2009]

42 CFR Ch. IV (10-1-11 Edition)

Subpart G—Condition of Participation for the Use of Restraint or Seclusion in Psychiatric Residential Treatment Facilities Providing Inpatient Psychiatric Services for Individuals Under Age 21

SOURCE: 66 FR 7161, Jan. 22, 2001, unless otherwise noted.

§ 483.350 Basis and scope.

(a) *Statutory basis.* Sections 1905(a)(16) and (h) of the Act provide that inpatient psychiatric services for individuals under age 21 include only inpatient services that are provided in an institution (or distinct part thereof) that is a psychiatric hospital as defined in section 1861(f) of the Act or in another inpatient setting that the Secretary has specified in regulations. Additionally, the Children's Health Act of 2000 (Pub. L. 106-310) imposes procedural reporting and training requirements regarding the use of restraints and involuntary seclusion in facilities, specifically including facilities that provide inpatient psychiatric services for children under the age of 21 as defined by sections 1905(a)(16) and (h) of the Act.

(b) *Scope.* This subpart imposes requirements regarding the use of restraint or seclusion in psychiatric residential treatment facilities, that are not hospitals, providing inpatient psychiatric services to individuals under age 21.

§ 483.352 Definitions.

For purposes of this subpart, the following definitions apply:

Drug used as a restraint means any drug that—

(1) Is administered to manage a resident's behavior in a way that reduces the safety risk to the resident or others;

(2) Has the temporary effect of restricting the resident's freedom of movement; and

(3) Is not a standard treatment for the resident's medical or psychiatric condition.

Emergency safety intervention means the use of restraint or seclusion as an

occur while the resident is in the program;

(2) Communicate its restraint and seclusion policy in a language that the resident, or his or her parent(s) or legal guardian(s) understands (including American Sign Language, if appropriate) and when necessary, the facility must provide interpreters or translators;

(3) Obtain an acknowledgment, in writing, from the resident, or in the case of a minor, from the parent(s) or legal guardian(s) that he or she has been informed of the facility's policy on the use of restraint or seclusion during an emergency safety situation. Staff must file this acknowledgment in the resident's record; and

(4) Provide a copy of the facility policy to the resident and in the case of a minor, to the resident's parent(s) or legal guardian(s).

(d) *Contact information.* The facility's policy must provide contact information, including the phone number and mailing address, for the appropriate State Protection and Advocacy organization.

§ 483.358 Orders for the use of restraint or seclusion.

(a) Orders for restraint or seclusion must be by a physician, or other licensed practitioner permitted by the State and the facility to order restraint or seclusion and trained in the use of emergency safety interventions. Federal regulations at 42 CFR 441.151 require that inpatient psychiatric services for recipients under age 21 be provided under the direction of a physician.

(b) If the resident's treatment team physician is available, only he or she can order restraint or seclusion.

(c) A physician or other licensed practitioner permitted by the state and the facility to order restraint or seclusion must order the least restrictive emergency safety intervention that is most likely to be effective in resolving the emergency safety situation based on consultation with staff.

(d) If the order for restraint or seclusion is verbal, the verbal order must be received by a registered nurse or other licensed staff such as a licensed practical nurse, while the emergency safety

intervention is being initiated by staff or immediately after the emergency safety situation ends. The physician or other licensed practitioner permitted by the state and the facility to order restraint or seclusion must verify the verbal order in a signed written form in the resident's record. The physician or other licensed practitioner permitted by the state and the facility to order restraint or seclusion must be available to staff for consultation, at least by telephone, throughout the period of the emergency safety intervention.

(e) Each order for restraint or seclusion must:

(1) Be limited to no longer than the duration of the emergency safety situation; and

(2) Under no circumstances exceed 4 hours for residents ages 18 to 21; 2 hours for residents ages 9 to 17; or 1 hour for residents under age 9.

(f) Within 1 hour of the initiation of the emergency safety intervention a physician, or other licensed practitioner trained in the use of emergency safety interventions and permitted by the state and the facility to assess the physical and psychological well being of residents, must conduct a face-to-face assessment of the physical and psychological well being of the resident, including but not limited to—

(1) The resident's physical and psychological status;

(2) The resident's behavior;

(3) The appropriateness of the intervention measures; and

(4) Any complications resulting from the intervention.

(g) Each order for restraint or seclusion must include—

(1) The name of the ordering physician or other licensed practitioner permitted by the state and the facility to order restraint or seclusion;

(2) The date and time the order was obtained; and

(3) The emergency safety intervention ordered, including the length of time for which the physician or other licensed practitioner permitted by the state and the facility to order restraint or seclusion authorized its use.

(h) Staff must document the intervention in the resident's record. That documentation must be completed by

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(d) A physician, or other licensed practitioner permitted by the state and the facility to evaluate the resident's well-being and trained in the use of emergency safety interventions, must evaluate the resident's well-being immediately after the resident is removed from seclusion.

[66 FR 7161, Jan. 22, 2001, as amended at 66 FR 28117, May 22, 2001]

§ 483.366 Notification of parent(s) or legal guardian(s).

If the resident is a minor as defined in this subpart:

(a) The facility must notify the parent(s) or legal guardian(s) of the resident who has been restrained or placed in seclusion as soon as possible after the initiation of each emergency safety intervention.

(b) The facility must document in the resident's record that the parent(s) or legal guardian(s) has been notified of the emergency safety intervention, including the date and time of notification and the name of the staff person providing the notification.

§ 483.368 Application of time out.

(a) A resident in time out must never be physically prevented from leaving the time out area.

(b) Time out may take place away from the area of activity or from other residents, such as in the resident's room (exclusionary), or in the area of activity or other residents (inclusionary).

(c) Staff must monitor the resident while he or she is in time out.

§ 483.370 Postintervention debriefings.

(a) Within 24 hours after the use of restraint or seclusion, staff involved in an emergency safety intervention and the resident must have a face-to-face discussion. This discussion must include all staff involved in the intervention except when the presence of a particular staff person may jeopardize the well-being of the resident. Other staff and the resident's parent(s) or legal guardian(s) may participate in the discussion when it is deemed appropriate by the facility. The facility must conduct such discussion in a language that is understood by the resident's parent(s) or legal guardian(s).

The discussion must provide both the resident and staff the opportunity to discuss the circumstances resulting in the use of restraint or seclusion and strategies to be used by the staff, the resident, or others that could prevent the future use of restraint or seclusion.

(b) Within 24 hours after the use of restraint or seclusion, all staff involved in the emergency safety intervention, and appropriate supervisory and administrative staff, must conduct a debriefing session that includes, at a minimum, a review and discussion of—

(1) The emergency safety situation that required the intervention, including a discussion of the precipitating factors that led up to the intervention;

(2) Alternative techniques that might have prevented the use of the restraint or seclusion;

(3) The procedures, if any, that staff are to implement to prevent any recurrence of the use of restraint or seclusion; and

(4) The outcome of the intervention, including any injuries that may have resulted from the use of restraint or seclusion.

(c) Staff must document in the resident's record that both debriefing sessions took place and must include in that documentation the names of staff who were present for the debriefing, names of staff that were excused from the debriefing, and any changes to the resident's treatment plan that result from the debriefings.

§ 483.372 Medical treatment for injuries resulting from an emergency safety intervention.

(a) Staff must immediately obtain medical treatment from qualified medical personnel for a resident injured as a result of an emergency safety intervention.

(b) The psychiatric residential treatment facility must have affiliations or written transfer agreements in effect with one or more hospitals approved for participation under the Medicaid program that reasonably ensure that—

(1) A resident will be transferred from the facility to a hospital and admitted in a timely manner when a transfer is medically necessary for medical care or acute psychiatric care;

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(b) Certification in the use of cardiopulmonary resuscitation, including periodic recertification, is required.

(c) Individuals who are qualified by education, training, and experience must provide staff training.

(d) Staff training must include training exercises in which staff members successfully demonstrate in practice the techniques they have learned for managing emergency safety situations.

(e) Staff must be trained and demonstrate competency before participating in an emergency safety intervention.

(f) Staff must demonstrate their competencies as specified in paragraph (a) of this section on a semiannual basis and their competencies as specified in paragraph (b) of this section on an annual basis.

(g) The facility must document in the staff personnel records that the training and demonstration of competency were successfully completed. Documentation must include the date training was completed and the name of persons certifying the completion of training.

(h) All training programs and materials used by the facility must be available for review by CMS, the State Medicaid agency, and the State survey agency.

Subpart H [Reserved]

Exhibit 4



STRATEGIC
BEHAVIORAL CENTER

3 Year Evaluation Report

2010-2013



Introduction

After three years since the evaluation project at SBC-North Carolina began, sufficient information has been collected to make some definitive conclusions about the program. More than 20% of all the caregivers of residents who were treated during this three year period have been contacted at least once. A comprehensive questionnaire was administered asking about their experience at SBC, and how their children are doing at home and in the community. Attempts were made to call caregivers at one month, six months, and twelve months after discharge. This report shows the outcome of this three year project, illustrating the trends of caregiver opinions about SBC, and how their children have fared since discharge. The following is data provided to and independently analyzed by Dr. Art Frankel, professor at University of North Carolina-Wilmington.

Methodology

Ninety caregivers completed 114 questionnaires through phone calls, some completing more than one questionnaire over time. Each phone interview took from 20-30 minutes. The data was arrayed in SPSS and factored into one month, six month, and twelve month data sets. At the time of intake, all caregivers had to sign a consent form to be part of the ongoing evaluation and agree to be called. Those who did not agree were excluded from the evaluation.

Table 1 (at end of residential report)

Over the period of three years, 212 consent forms were received by the evaluation staff, and of that group, 114 were completed by 90 discrete caregivers. 91% of these respondents were family members related to the adolescent resident, of which 56% were mothers. 9% of the respondents were Department of Social Service workers. This group of respondents represents 21.1% of all of the families whose adolescents participated in the SBC residential program over the three year evaluation period. While this sample is not random, it does include the caregivers of one out of every five adolescent residents who participated over one month at the SBC facility. The sample is of sufficient size so that the results can be considered reasonably representative of the entire group of residents who were treated at SBC, particularly at the one month and six month data collection periods. See Tables below including the Recidivism Report.

Recidivism Snapshot

This table shows some of the most important findings over the three year evaluation period. Based on caregiver reports, the average overall re-hospitalization rate for mental health reasons was 7% of the residents who participated in SBC. The rate at one month after discharge was about the same as six months after discharge; at twelve months, none of the children had been re-hospitalized. Since the twelve month rate is smaller, the trend at one and six months is more reliable, showing that less than one in ten children returned to a mental hospital setting over the three year period after discharge from Leland SBC. If an adolescent was re-hospitalized one month after discharge, it was for a longer stay than at six months, where the three re-hospitalized children stayed for only one day each. This would seem to indicate that the highest risk of longer term re-hospitalization occurs with more recently discharged adolescents.

Visiting an emergency room for mental health reasons was a rare event one month and twelve months after discharge. However at six months almost one in ten of the adolescents were brought to an ER.

On the average over the twelve month period after discharge, over 90% of the adolescents were enrolled in school. Most of these children were attending public schools (42%) or alternative schools (44%), with the rest distributed rather evenly across home schooling, private schools, special education, and schools in a facility.

The suspension rate of these children over the year was on the average 13%. It was more likely that if an adolescent was going to be suspended, it would happen in the period from two to twelve months after discharge. At one month, about 1 in 10 children received at least one suspension, while at six and twelve months, almost 1 in 5 was suspended.

Children reportedly left their homes without permission in about 9% of the households in which they were residing, the percentage increased slightly over six months. This outcome indicates that about one in ten of the discharged residents will have at least one AWOL episode within a year from the point of discharge.

On the average, about one in five of discharged residents reportedly had some contact with the police over a year's time from discharge. This percentage increased over time with one third of the adolescents having some police contact at six months, and one fourth at a year after discharge. About 50% of the reasons for police involvement were reported to be for aggression, mostly physical, but some for destroying property. Police were called for children being AWOL 20% of the time. Other reasons made up for the rest of the incidents, including missing court dates, old charges, and pranks. It would seem that the greatest risk for police involvement starts in the period after one month from discharge, and is at a higher risk throughout the rest of the year.

Frequent verbal aggression was reported more often than physical aggression on the average over a year's time. Both verbal and physical aggression was the same at one month—one in ten showing more serious behaviors as reported by their caregivers at that time. It is clear, however, that as time went on, the collective group of adolescents were becoming more verbally aggressive to their family and others. More serious physical aggression also increased at the six month mark, doubling from 10% to 20%, with it calming down close to one month levels at twelve months. Apparently, families were having more trouble communicating with their adolescents as time went on, with a smaller group of these children being more physically aggressive by the six month mark. The decrease at twelve months may not be valid due to the small N, but it is interesting, as we shall see for drug use, that while the 12 month group was far less physically aggressive, their caregivers reported a higher drug problem.

The adolescents' use of drugs reportedly increased over time. If we can believe the twelve month data, given the small N, it would appear that adolescents went from one in ten using drugs at the one month mark, to one in four at twelve months. Regardless, there are sufficient indications in this data set to suggest that drug usage was a increasing problem for some of the children after discharge. However, national studies suggest that up to 35% of high school students are using drugs by the twelfth grade. The former residents from Leland SBC are reportedly using drugs at a much lower level, particularly at one and six months.

As would be expected by national studies, medication compliance reportedly decreased over time. While there are many studies looking at medication compliance, there is some consensus that as time passes, it drops to 50%. The reported high compliance rates at one and six months are well above this, and even at twelve months, it is higher than this national consensus.

One of the most important issues for any organization, be it a business or a social service agency, is that their consumers like the services they have received and are inclined to recommend it to others. 87% of the consumers who were involved in SBC over the three year period indicated they would recommend this residential treatment center to their friends. This recommendation rate was remarkably stable over the year, with a slightly higher percentage of six month responders saying they would recommend the program compared to the one month group. It would appear that the services given to the adolescents at SBC were greatly appreciated by their caregivers.

Based on these caregiver reports, it is evident the great majority of discharged adolescents were doing well. This is especially clear when we view the re-hospitalization rates, the use of the ER, and school enrollment. Given that these children entered Leland SBC with severe emotional and behavioral disorders, these findings are remarkable indeed, as many of these disturbed adolescents had numerous hospitalizations prior to coming to SBC program. However, the data also shows that over time, some of these former residents were beginning to show behavioral problems, such as in their suspension rate, verbal and physical aggression, and their use of drugs. Yet, very few of these increasing behavioral issues caused them to be re-hospitalized a year out from discharge.

It will be up to further evaluation efforts to more clearly establish the benchmarks for what would be successful longitudinal outcomes for seriously emotionally disturbed adolescents who participated in long term residential programs. It is may be that the outcomes reported here will be part of what will be seen as benchmarks for successful long term outcomes.

3 Year Report | Leland SBC

	1 Month	6 Months	12 Months	Total Group
N=	64	34	16	114
% Re-hospitalization for MH Reasons (N=5)	8%	9% (N=3)	0%	7% (N=9)
If re-hospitalized, average stay (1-14 days)	6 days	1 day (all 1 day)	0	4.6 days (1-14 days)
% ER use for MH Reasons	3%	9%	0%	3.5%
Child attending Sch	90%	94%	94%	92%
% Suspended	9%	18%	19%	13%
% AWOL	8%	12%	6%	9%
% Police Contact	8%	33%	25%	18%
% Reported Serious Verbal Agg.	10%	33%	43%	21%
% Reported Serious Physical Agg.	10%	21%	7%	13%
% Using Drugs/Alc	10%	16%	27%	14%
% Taking Meds	94%	82%	69%	87%
% Recommending Montevista to Others	85%	91%	87%	87%

Table 2: Outcome Information (at end of report)

Following up on the Recidivism Snapshot, Table 2 delves more deeply into the outcomes reported so far. In general, over the years' time, most of the former residents were living with their family, about 60% of them at one, six, and twelve months. Children in foster care seemed to decrease over time, but children who had entered some facility did increase from 19% at one month, to about 30% at six and twelve months. In almost all cases where the child was reported to be in facility, it was a group home, with a small percent in detention.

When adolescents were discharged, 84% of the caregivers reported that step-down services had been arranged, with 81% reporting they actually received them. At the six and twelve month marks, about the same percentage of caregivers remembered that step-down services had been arranged and had been received. At six months, some caregivers reported they were still receiving some of these services, but by twelve months, this dropped to 62%.

The next statistic in Table 1 not reported in the Recidivism Snapshot concerns whether the medications being given to the adolescents were working. Of the 94% of adolescents taking medications at one month, caregivers reported that in 84% of these cases the medications were working. By six months, about the same percentage of caregivers (79%) said the medications were working. At twelve months, it was reported that medications were working only 60% of the time. One might wonder if the decrease in medication compliance and the decrease in medications working could be related to the increase in some behavioral problems over time. Most of the caregivers who reported their children were taking medications said that they had a doctor who was prescribing them, 90-95% at one and six months. However, only 68% of the twelve month group said they were still in contact with a doctor.

The recidivism rate for re-hospitalization was very low. At one month the average stay in days was .4 and it was .1 at six months. This statistic represents the average number of total days spent re-hospitalized for the entire group of adolescents in this sample, N=90. The purpose of this statistic is that it can be reliably compared to other groups should data become available from other evaluation studies.

Caregivers were asked to rate their adolescents' depression on a five point scale, where 5 was very depressed, 1 was no depression at all, and 3 was halfway in-between. The rate of reported depression over the year was pretty much the same, with a slight increase at six months. In any case, these depression ratings meant that caregivers judged their children were a little depressed at times. The rate of suicidal ideation/attempts was reportedly extremely low at one month. However, at six and twelve months, the rate jumped up to about 1 child in 10. Almost all of these reports by caregivers talked about suicidal ideation, which did not result in re-hospitalizations.

Caregivers were also asked to rate on a five point scale a number of other issues. In all of these ratings, 5 equaled feeling very positive, 1 equaled feeling very negative, and 3 meant they felt neutral. When asked how well they were getting along with their adolescent at one month, the caregivers collectively reported a 3.9, which meant they felt positive about their relationship at that time. This rating declined at the six month mark to 3.3 which meant they were feeling more ambivalent about their parent-child relationship, but rebounded at twelve months to 3.6.

They also felt positive about the step-down arrangements they received at one month, 4.2, with similar feelings at six and twelve months out.

When asked of their opinion about their child's school behavior, it started at 3.7, a positive collective response at one month, but began decreasing toward neutrality as time went on.

Table 3: Average Family/Caregiver Satisfaction with SBC (at end of report)

Up to this point, the status of the adolescents in their home and community has been the focus. Table 2 reports the opinions of the caregivers concerning their views of the SBC program, at one month, six months, and twelve months after discharge. The caregivers were asked a series of questions concerning their experience with SBC, rating each question on a 5 point scale, with 5 equating great satisfaction, 1 meaning very low satisfaction, and 3 in the middle. The total group averages for these questions can be seen in the Total Group column. In most cases, the caregivers' satisfaction levels for each question remained stable over the year. However, over time, their collective satisfaction level changed for some questions as their perceptions of the program's quality changed. These changes were likely based on factors associated with the passage of time and the experiences they were having with their child when they were contacted.

Viewing the one month and six month responses are likely the most reliable comparisons, since the N for twelve months is small. In all of the ratings to the eight questions, the caregivers gave a 4.0 or better rating out of 5.0, suggesting that overall they were well pleased with the SBC program. Interestingly enough, in six of the eight questions, the ratings were better at six months than at one month. This was also true for those respondents who were contacted twice, the same caregiver being contacted at one and six months. This phenomenon, which was noted in interim evaluations in the last three years, might be called the "absence makes the heart grow fonder" effect. It may be that as time goes on, and caregivers experience the quality and/or intensity of community-based support programs, they have the realization that the SBC residential program was better by comparison than what they originally thought.

In any case, the two factors that maintained ratings stability over the year after discharge was the caregiver's General Opinion of their child's stay at SBC, and their perception the stay at SBC helped their child. The average satisfaction for both of these questions was 4.3, showing good satisfaction with the program. Family sessions were rated at 4.0 at one month, and moved to 4.4 at six months. This finding suggests that over time, caregivers appreciated the family therapy sessions more than when they rated this at one month after discharge. At twelve months, the average ratings returned to the one month satisfaction level.

At SBC, family therapy sessions are conducted on a bi-weekly basis, with some variability of this frequency based on family availability. Some of the families live too far from Leland to attend in person. To facilitate these sessions, about 15% of the caregivers reported they only had family sessions by phone; about 25% were done in-person only; and close to 60% had a combination of both in-person and by phone.

For the next five ratings in the table the initial satisfaction ratings at one month also showed good satisfaction with scores between 4.2 and 4.4. Was the therapist helpful; Did they receive enough information from the staff; Did they have enough phone contact with their child; Did they have enough personal contact with their child; and was their overall decision to put their child in SBC a good one. For all five of these questions, the caregivers at six months reported more satisfaction, with higher ratings ranging from 4.5 to 4.7, approaching great satisfaction after considering the program six months later. At twelve months, all of these ratings returned to their one month levels.

Tables 4, 5, and 6: Caregiver Comments

While there were many comments recorded throughout each interview, three “forced-answer” questions are perhaps the most representative of what the caregivers were thinking. The first “forced” question was, Table 4, what the caregivers liked about their child’s behavior after they were discharged. 71% of the sample answered this question, with the results seen in Table 4.

The caregivers were also asked to tell the interviewer what they thought was the most beneficial part of their child’s stay at SBC. 70% of the caregivers gave a statement for this question, and Table 5 shows these results

And finally, the respondents were requested to state what they didn’t like about their child’s stay at Strategic. Table 6 has these statements. A slightly fewer percentage, 60%, answered this question.

Viewing the statements in Tables 3 and 4, there does seem to be a very positive sense of what was accomplished at SBC. These qualitative comments mirror the positive ratings in Table 3, as well as the high recommendation percentages. The “forced-answer” question asking to state what they didn’t like about the program did reveal some dissatisfaction with certain aspects of the program, even for those who rated their experiences very highly. These kinds of answers, when combined with the more positive ones, can support program improvement.

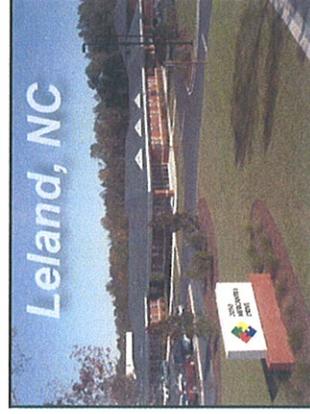
Conclusion

Over a three year period it is clear that many aspects of the SBC program are doing very well, as reported by its consumers. Most importantly, the re-hospitalization rate is extremely low, which is remarkable for a population of very disturbed adolescents, many of whom have experienced prior hospitalizations. There are indications that by six months after discharge some of these former residents are experiencing, or re-experiencing problems in the areas of school suspensions, contact with the police, the use of drugs, and verbal and physical aggression. Even given the severity of the emotional and behavioral problems affecting these children at SBC intake, it is clear from the caregiver reports that one month after discharge they were doing very well as a group. Most were using the step-down services arranged by Strategic staff. As time went on, some adolescents and their families reported more problems over time. It must be clearly noted, however, that a large majority of these adolescents were still reportedly doing well at six and twelve months after discharge.

The fact that so many caregivers were very satisfied with program and its components at SBC seems remarkable, given the nature of the problems that their children presented at intake. By any standard, when a group of consumers shows such positive regard for a service, and is willing to recommend it so highly to others, that service is being perceived as high quality. These high recommendations are grounded by the reported longitudinal positive stability of the home and community behavior for the great majority of these discharged residents.

Table 1: Call Data | August 30, 2010 - June 30, 2013

	Totals
Number of consent forms received	212
Number of questionnaires completed	114
Number of Caregivers Contacted	90
% of total number of Residents enrolled at SBC	21.1



**Table 2: 2013 Outcome Information
3 Year Report | 1, 6 & 12 Months after SBC Discharge**

	1 MONTH (N=64)	6 MONTHS (N=34)	12 MONTHS (N=16)	TOTAL GROUP (N=114)
Where is child living now	Family 60% Facility 19% FosCare 19%	Family 58% Facility 27% FosCare 15%	Family 62% Facility 32% FosCare 6%	Family 59% Facility 24% FosCare 16%
Service Arrange made?	84%	79%	75%	81%
Service Arrange Received?	81%	81%	62%	78%
Child in Sch	90%	94%	94%	92%
Suspended in last 30 days (%)	9%	18%	19%	13%
AWOL?	8%	12%	6%	9%
Police contact in last 30 days (%)	8%	33%	25%	18%
D&A behavior in last 30 days	10%	16%	27%	14%
Serious verbal aggression	10%	33%	43%	21%
Serious physical aggression in last 30 days (%)	10%	21%	7%	13%
Medicated in last 30 days (%)	94%	82%	69%	87%
Meds working?	84%	79%	60%	79%
Mental Hospital admissions in last 30 Days (%)	8%	9%	0%	7%
Mental Hospital average stay	.4	.1	0	.3
ER admissions	8%	9%	0%	7%
Depression(5 pt.)	1.7	2.2	1.8	1.7
Suicide idea/attempt	3%	12%	12%	6%
Caregiver relationship rating (5 pt.)	3.9	3.3	3.6	3.7
Eval of Step-Down (5 pt.)	4.2	4.3	3.8	4.1
Eval of School Behavior (5 pt.)	3.7	3.4	3.2	3.5

**Table 3: Average Family/Caregiver Satisfaction with SBC
3 Year Report | 1, 6 & 12 Months after SBC Discharge
2013 | (5=Very Satisfied, 1=Very Dissatisfied)**

	At 1 Month (N=64)	At 6 Months (N=34)	At 12 Months (N=16)	Total Group (N=114)
General opinion of child's stay at SBC	4.2	4.4	4.2	4.3
Did child's stay at SBC help him/her?	4.3	4.3	4.2	4.3
Were family sessions helpful?	4.0	4.4	3.9	4.1
What type of family session?				Phone 15% In Person 25% Both 58% No sessions 3%
Was contact with the therapist helpful?	4.2	4.5	4.1	4.2
Did you receive enough information from the staff about your child?	4.2	4.7	4.3	4.3
Did you have enough phone contact with your child?	4.2	4.6	4.4	4.4
Did you have enough personal contact with your child?	4.3	4.7	4.4	4.5
Was your decision to put your child at SBC a good one?	4.4	4.7	4.4	4.5
Would you recommend SBC to another family?	85%	91%	87%	87%

Table 4: What Caregivers liked about their child's behavior after they left Leland SBC

- A little more compliant
- A little more respectful
- Able to calm down a little more
- Able to process things better
- Attentive and helping out
- Backs down, no escalation
- Better
- Can control his anger better
- Communication a little better
- Compassionate and giving
- Did well for first couple of weeks, followed directions
- Different kid
- Does not get angry like he used to
- Does what asked without arguments
- Doesn't talk back as much
- Easy to get along with since he has been home
- Enjoying him
- Everybody there was so helpful
- Far less mood swings
- Following directions, making connections
- Getting along better
- Good manners
- Has goals for himself now
- Has gone from a bad attitude to a great positive one
- Having fun outdoors with family
- Having her home; behavior is enlightening.
- He accepts responsibility and is more mature
- he apologizes when he is wrong now
- He appears to try to do chores & be positive w/ in family unit. Appears happy.
- He has started talking more easily to everyone.
- He is a different child after leaving strategic
- He is more cooperative
- He is more understanding, he listens to input more and he really talks to me
- He is nicer
- He is polite
- He tries to do the right thing
- Helps at home
- His attitude is better. He is apologizing.
- I love strategic!
- Improved
- Improvement in coping skills
- Just glad she's home and safe
- Learned self-control techniques
- Less self harm
- Manners are back much better behavior
- More open and honest
- More respectful
- Much better attitude
- Much improved
- Much more respectful
- No mouth
- No redirecting needed
- Not always disrespectful
- Not arguing, compliant
- Not outwardly aggressive to siblings anymore...
- Polite
- Quicker to apologize now
- Respectful & pleasant. Open to honest conversation about future
- ROTC is helping give her structure
- Says he feels better
- Seems better
- She loves and communicates so well with us
- She will try to do better
- Showing signs of taking responsibility
- Starting to own up to his behaviors
- Still think strategic was wonderful and changed my child
- Strategic got her on track
- Strategic has been the only good placement
- Strategic was a great program but not the right fit for his drug problem
- Strategic was the best placement she ever had in her life
- Takes his meds
- Talks about feelings
- Talks more
- Temperament better, more control
- Thinking before speaking
- Tolerating behavior
- Turns things around more quickly
- Very pleased

Table 5: What do you think was the most beneficial part of your child's stay at SBC

- Learned how to be thankful for what God has given him
- Able to assess and stay on top of things; got him to open up
- Able to get correct diagnosis and help with meds
- Academics went up, behavior turned around (positive), diagnosis was made clear
- All good
- All in one place
- All positive reinforcement--works for positive and not reprimanding him
- Behavior turned around to positive, academics went up
- Being in strategic helped him think about who he needed to be
- Care, external case manager, everybody on the team was trying to do everything possible
- Coping skills
- Coping skills
- Counseling
- Family support, lots of contact w/ therapist
- First time she has shown empathy for other kids at strategic
- Gained empathy for other kids
- Gave her a great attitude
- Gave her leadership skills
- The therapist
- He can work through problems now. More communication now
- He is able to work things out now
- He is doing better
- He was able to talk and trust staff--very positive.
- The staff was really great.
- Helped anger management
- Helped him talk more
- Helped in so many ways
- Helped with overall attitude
- Helped with school
- Helpful staff & excellent facilities
- Helping him control behavior credit for school
- Her therapist
- I wanted to send him back to strategic
- I will always feel like strategic saved her life
- I wish he could go back long term
- Independent, learned how to deal with problems without thinking he was a terrible person
- Individual therapy and peer groups she always talked about how encouraging they were.
- Her therapist has been the only one to help her at all
- Knowing he was safe & with well trained staff.
- Learned a lot about herself/learned to recognize "triggers"
- Learned how to control his temper. Good grades gave him higher self esteem
- Learned not to blame; learned to dial w/ own essence and coping skills
- Learned respect
- Learned to express himself in a positive way better understood himself got to grow up
- Less harm now
- Locked facility
- Made things easier for our family.
- Kept us in the loop even though we were far away
- Made to conform
- Therapist was helpful
- Monitoring
- Opened her eyes that she was not the only one with problems; helped her grow up
- Overall behavior good
- Professionalism of staff, great communication among staff and legal guardian
- Limited his freedom
- She came away with a feeling that she was not alone and can overcome anything
- She is coping much better
- She learned self-control at strategic
- She was safe; she was out of touch with play mates and received good guidance from Jenny
- Social skills he learned
- Staff members and positive reinforcement
- Strategic got him under control
- Strategic has been the best placement ever. He has been in the system since he was two. Strategic has helped so much.
- Strategic helped him find himself and improve his life

Table 5: Continued

- Strategic was a good program to start in
- Structure and guidance
- Structure and access to med checks
- Structured environment and made him want to come home
- Structured, positive environment
- Taught him how to interact and get along
- Taught him respect and rules and natural consequences
- Thank you strategic!!!!
- The best place ever! Very helpful with medications
- The only helpful person seemed to be the doctor there that diagnosed the developmental delay
- The therapy help have better ways to work through angered him
- Therapy and structure
- Therapy
- Therapy every day, positive place
- Therapy, control of behavior
- They were able to diagnose him and help with meds
- Treatment; plan-ful discharge
- Turned around very bad behavior made him appreciate what he had at home
- We moved here from New Hampshire just for Strategic

Table 6: What you didn't like about your child's stay at Strategic

- Case-management issues
- Change in therapist--was not informed; both were good, though.
- Changing therapists was difficult lack of communication with the first one
- Communication
- Could not talk in front of daughter
- Couldn't see him on Christmas
- Couldn't talk to people when she wanted to; did not talk to Dr.; Dr wouldn't return calls
- Did not like some of the other clients; felt like they were very dangerous; threats were made. Did not feel like the staff was professional
- Didn't wash his clothes right
- Discharge was unorganized. Also, wouldn't call school back with things they needed
- Distance
- Distance
- Distance made it difficult to have contact with social worker
- Do not always check ID at the door
- Didn't check ID at entrance; need to be consistent with security when you go in
- A bunch of drug peddler's--drugs changed all the time
- Far away
- Feel like she needed to stay longer
- Got a black eye from a peer; no access to see his environment.
- Belongings destroyed; no one investigated
- Had him on too many meds; almost messed up his liver
- Had some miscommunication
- His discharge prior to completing program.
- I did not believe any information
- Kid had no CM; DSS had to find placement after he left SBC
- Lack of communication by phone
- Lack of communication with the first therapist
- Lack of exercise
- Lack of family sessions
- Long drive and not talking to the doctor
- Medications were changed without contacting me
- Missing him
- More contact phone calls
- Need more individual plans for each child. The second time was the same program
- Need more outside time
- Needed more time there
- No contact with anyone. No answers and no communication; child put through trauma.
- No supervision, not enough contact
- Not being able to call daughter
- Not being able to take a tour of the living area; as a social worker I would like to see it before placement
- Over medicating children
- RNs called frequently, the amount of medication
- Scheduling of treatment team mtgs was not supportive
- Sent her home without meds
- Some of his trauma should have been dealt with more
- Some of the other kids there
- Staff didn't know what was going on. No communication.
- Staff inconsistency
- The distance from home, and the fact that he had to step down before we felt he was ready (due to medicaid funding).
- The distance and inflexibility of the program to address the needs of family
- The first three months, poor organization, little treatment just ward housing
- Too far away
- Too far away
- Too many families in the visiting room; very invasive
- Treatment process not explained clearly at intake, ie points system, earning privileges
- Unhealthy food gained a lot of weight
- Visitation hours were too short. Needed more of a private area for phone conversations
- Wanted to see her living space was not allowed
- Was not allowed to have her music which calms her; almost too strict
- Was not there long enough
- Worried about her physical well-being while at SBC
- Would not individualize the program to suit her

SBC – Acute Clinical Outcomes Report

Summary

CORE (Clinical Outcomes in Routine Evaluation) surveys were conducted at Strategic Behavioral Center from November 2013-February 2014, upon admission and at discharge with 1 month follow-up, for the acute adolescent inpatient unit to measure change during and after treatment (see Table 1). The data analysis and 1 month follow-up was conducted independently by the University of North Carolina at Wilmington. The lowest level of acuity value is a 0 where the most severe symptomatology is a 40. A change of 6 or more is considered statistically significant. The CORE-YP (Young Person) measures a composite score of patient symptoms: Anxiety, Risk, and Depression (see Table 2).

Clinical Results

- CORE pre-post experienced clinically significant change on all dimensions.
- 56% overall reduction in acuity from admission to discharge.
- 85% reduction of Risk from admission to discharge.
- Only slight elevation or Risk from discharge to 1 month follow-up.

Table 1:

Acute Adolescents (N = 59)

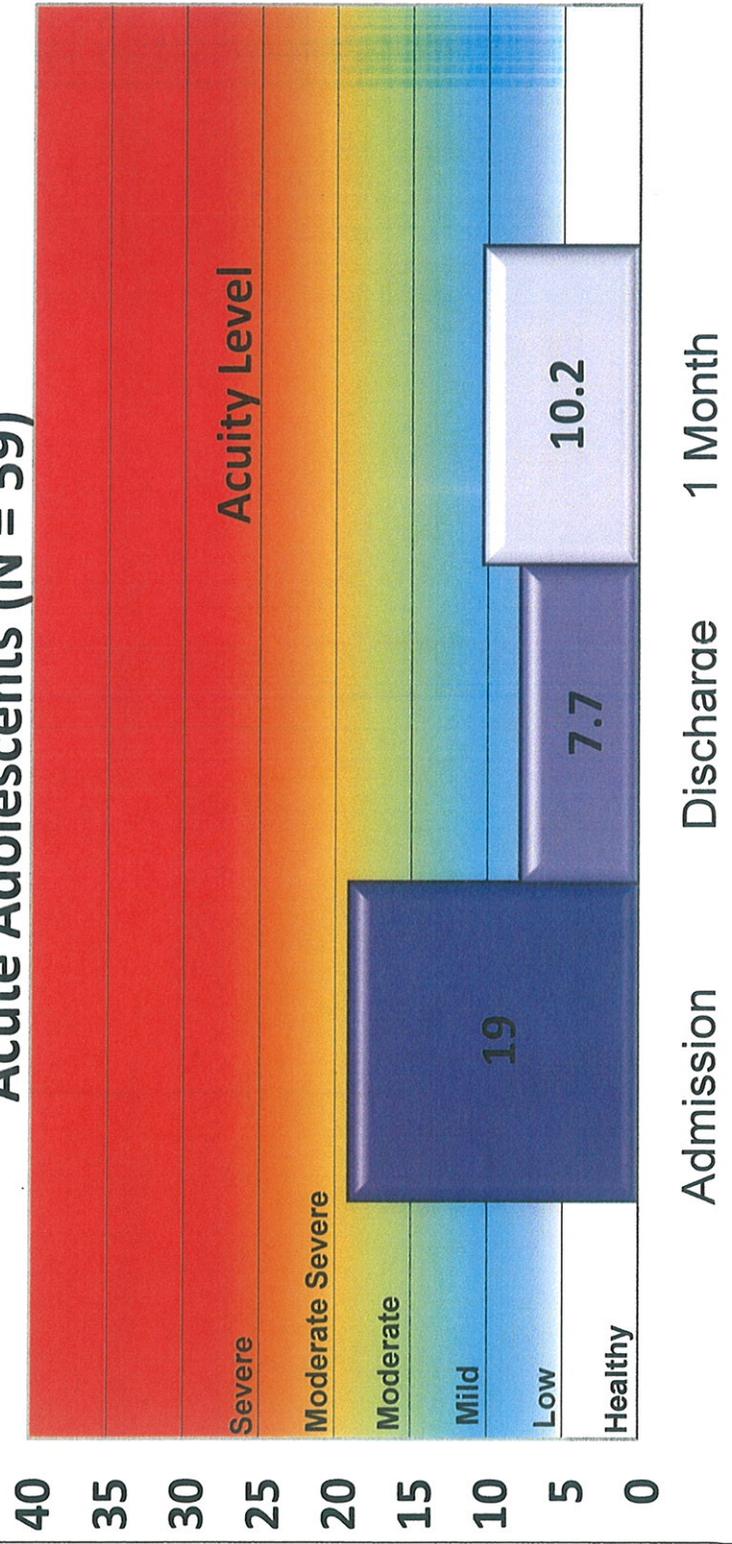
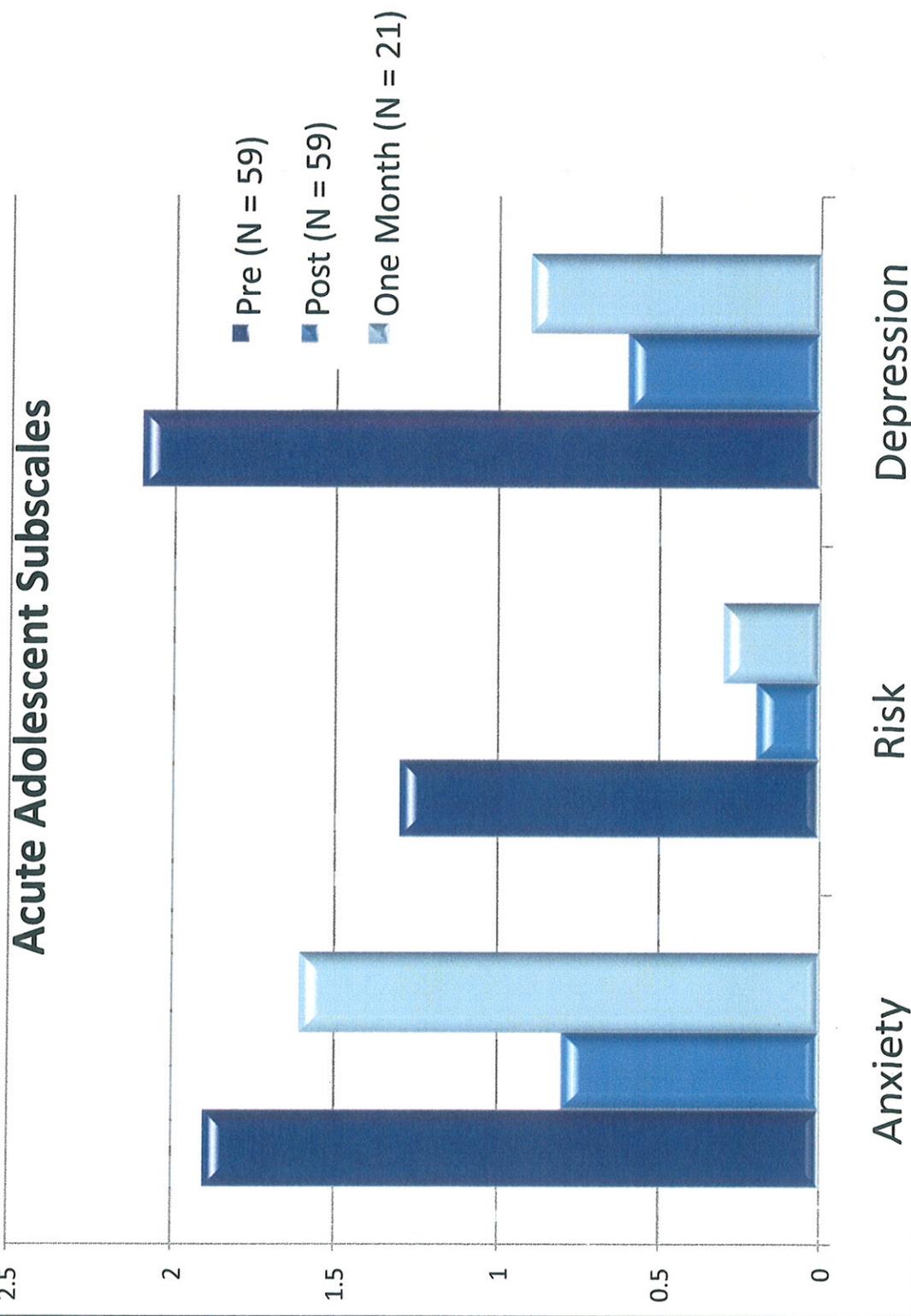
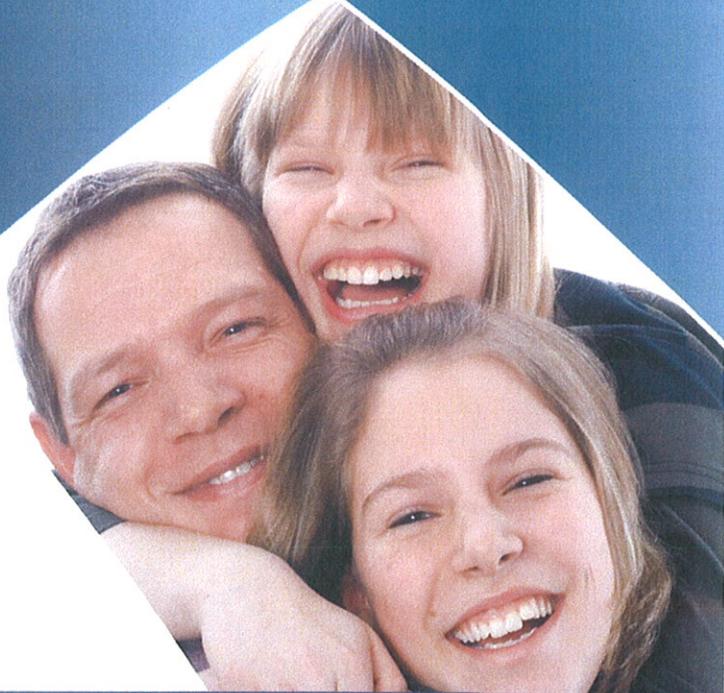


Table 2:





STRATEGIC
BEHAVIORAL CENTER



CORE-YP

Assistance given?
(If yes, please tick)

Site ID	<input type="text"/>	Male	<input type="checkbox"/>
Client ID	<input type="text"/>	Female	<input type="checkbox"/>
Letters only	Numbers only	Age	<input type="text"/>
Therapist ID	<input type="text"/>	Stage Completed	
Subcodes		S Screening	
Numbers only (1)	Numbers only (2)	R Referral	
<input type="text"/>	<input type="text"/>	A Assessment	
Date form given		F First Therapy Session	Stage
d d / m m / y y y y		P Pre-therapy (unspecified)	<input type="text"/>
<input type="text"/>		D During Therapy	
		L Last Therapy Session	Episode
		X Follow up 1	<input type="text"/>
		Y Follow up 2	<input type="text"/>

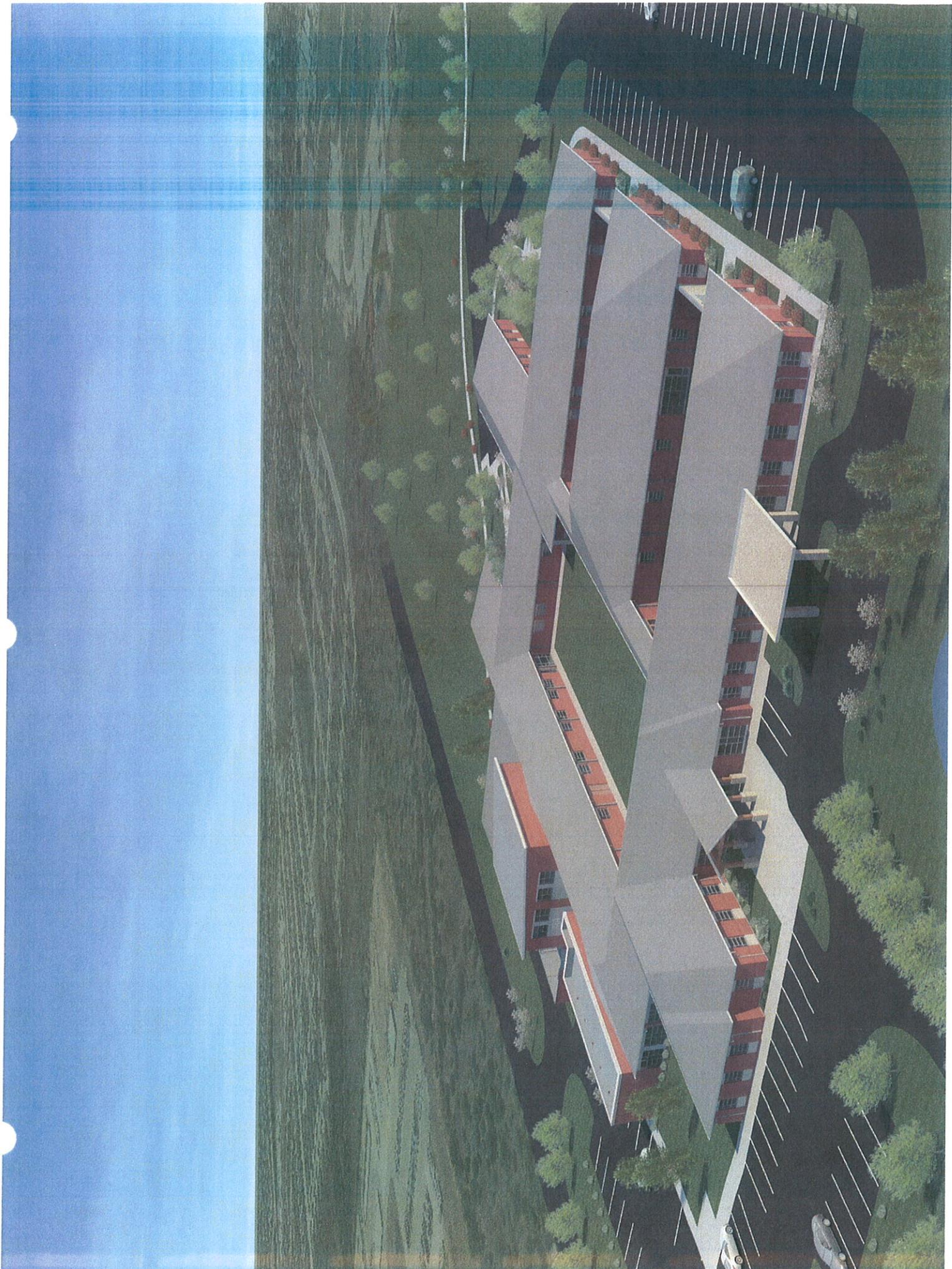
These questions are about how you have been feeling OVER THE LAST WEEK. Please read each question carefully. Think how often you have felt like that in the last week and then put a cross in the box you think fits best. Please use a dark pen (not pencil) and mark clearly within the boxes.

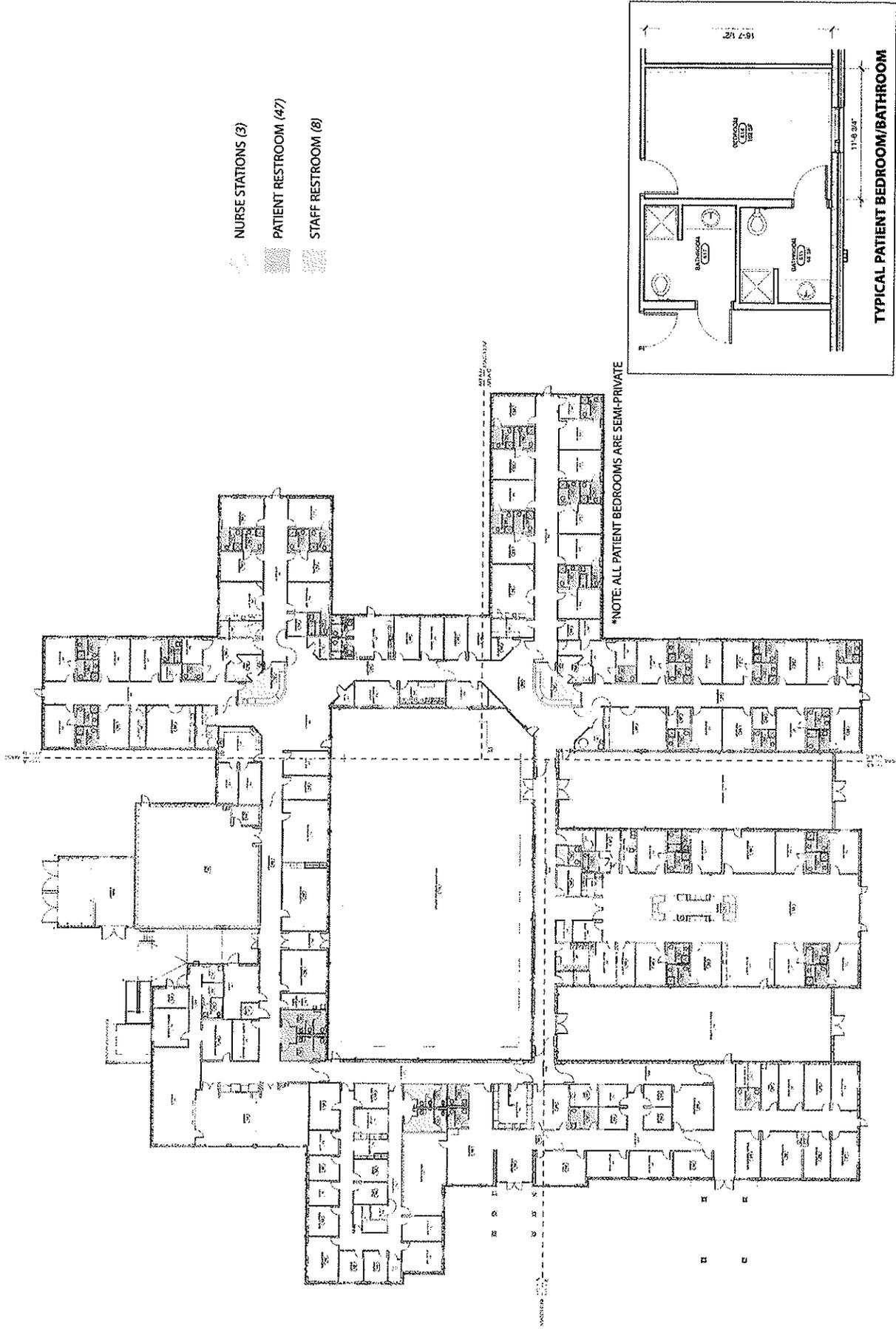
OVER THE LAST WEEK...

	Not at all	Only occasionally	Sometimes	Often	Most or all of the time
1. I've felt edgy or nervous	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
2. I haven't felt like talking to anyone	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
3. I've felt able to cope when things go wrong	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 0
4. I've thought of hurting myself	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
5. There's been someone I felt able to ask for help	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 0
6. My thoughts and feelings distressed me	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
7. My problems have felt too much for me	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
8. It's been hard to go to sleep or stay asleep	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
9. I've felt unhappy	<input type="checkbox"/> 0	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
10. I've done all the things I wanted to	<input type="checkbox"/> 4	<input type="checkbox"/> 3	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 0

Thank you for answering these questions

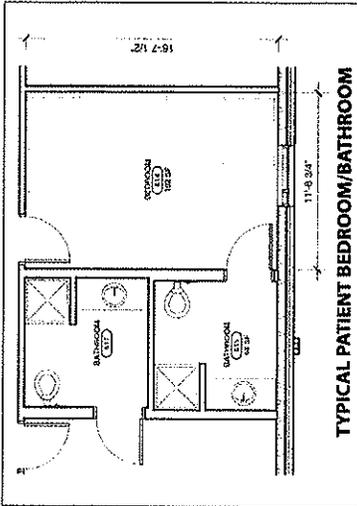
Exhibit 5





- NURSE STATIONS (3)
- PATIENT RESTROOM (47)
- STAFF RESTROOM (8)

*NOTE: ALL PATIENT BEDROOMS ARE SEMI-PRIVATE

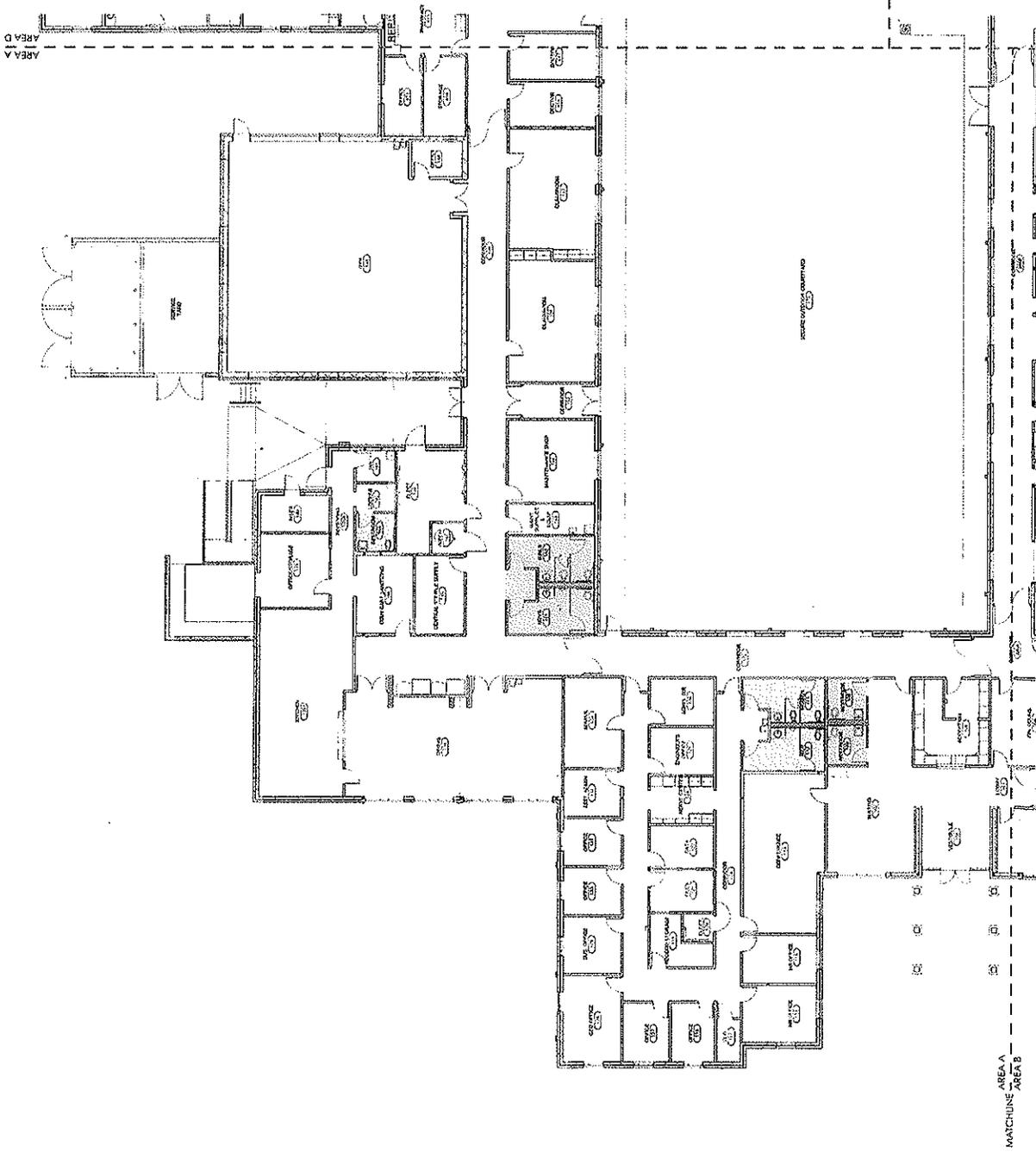


TYPICAL PATIENT BEDROOM/BATHROOM

FLOOR PLAN
OVERALL
02.06.15

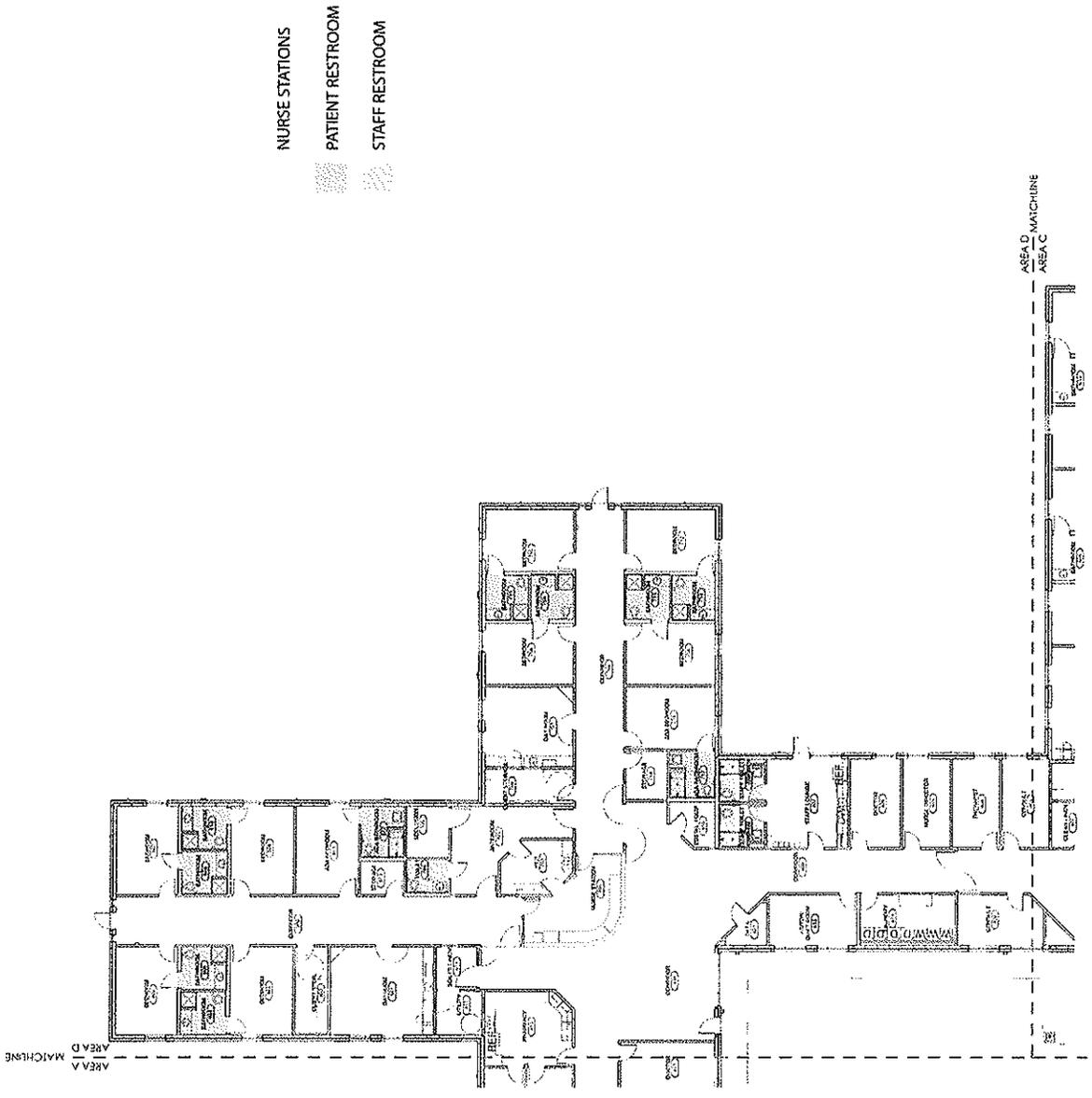


SEASONS RESIDENTIAL TREATMENT PROGRAM, LLC



- NURSE STATIONS
- PATIENT RESTROOM
- STAFF RESTROOM





- NURSE STATIONS
- PATIENT RESTROOM
- STAFF RESTROOM