

**AMENDMENT NO. 1 TO THE OPERATIONS MANAGEMENT AGREEMENT II
BETWEEN THE COUNTY OF SAN MATEO AND
BRIUS, LLC**

THIS AMENDMENT NO. 1 TO THE OPERATIONS MANAGEMENT AGREEMENT II, entered into this ____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "Licensee," and Brius, LLC hereinafter called "Manager";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for management of the skilled nursing facility known as Burlingame Long Term Care services as of August 1, 2020; and

WHEREAS, the parties wish to amend the Agreement to reflect settlement regarding monies owed by Manager to Licensee under the Agreement,

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES
HERETO AS FOLLOWS:**

1. Section 17.8 "Payments of Overdue Rent Refund, Old AR, Various Accounts Receivable and Penalties Pursuant to Prior Agreement" is replaced in its entirety by the following:

Section 17.8 Payments of Overdue Rent Refund, Old AR, Various Accounts Receivable and Penalties Pursuant to Prior Agreement. Manager acknowledges and agrees it owes certain amounts to Licensee in refunded rent pursuant to Section 17.8 of the Prior Agreement in the form of a refund on Rent paid ("Rent Refund"), "Old AR" as defined in the Prior Agreement as Manager's collection of all active accounts receivable resulting from Facility-related charges from all payers for services billed or unbilled (unless otherwise 6022017.1 Page 15 of 48 indicated by the Prior Agreement) existing as of the Operations Transfer Date, pursuant to Section 22.3.1 of the Prior Agreement, and various accounts receivable payments owed pursuant to other terms of the Prior Agreement ("Additional AR Payments"). The Parties agree and acknowledge that the amounts owed for Rent Refund, Old AR and Additional AR Payments were the subject of a demand for payment made in writing by Licensee in a letter to Manager dated on or about August 16, 2019 ("Demand Letter"). The parties have met and conferred regarding the amount owing and agree that Manager shall pay to Licensee \$4,546,971 in accrued AR inclusive of simple interest on the overdue payments at 5% ("Total Overdue Rent Refund and AR Settlement").

The Total Overdue Rent Refund and AR Settlement shall be paid in twelve (12) monthly increments equal to 1/12 of the Total Overdue Rent Refund and AR Settlement accruing on the 15th day of each consecutive month beginning retroactively to November 15, 2020. The Agreed upon payment schedule is attached hereto as Exhibit E.

2. Section 21.3 is replaced in its entirety by the following:


SMMC agrees that Manager can continue to advocate to DHCS that settlement rates for Audit Years 2014, 2015, 2016, 2017 and 2018 were below what should have been paid by the State, and that retroactive payments in settlement of those Audit Years should be accompanied by interest per annum. Any costs of such advocacy by Manager shall be borne solely by Manager. If Manager is successful obtaining rate increases for 2014 through 2018 and/or interest, Manager shall retain all amounts related to such increases above the "settled rates" and all applicable interest, except

that Licensee shall receive interest amount paid on SMMC's portion of any previously settled retroactive rate payments for 2014-2018.

3. All other terms and conditions of the agreement entered into as of August 1, 2020, between the Manager and Licensee shall remain in full force and effect.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: **BRIUS LLC**

	<u>3/10/21</u>	<u>Shlomo Rechin</u>
Contractor Signature	Date	Contractor Name (please print)

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo
County

Date:

ATTEST:

By:
Clerk of Said Board