Board of Directors Meeting
March 28, 2019
COVENANT HEALTH AND COMMUNITY SERVICES, INC.
BOARD OF DIRECTORS MEETING
March 28, 2019 at 8:30 a.m.

Conference Call: 646.749.3122
Access Code: 113.530.957#

CONVENING OF MEETING

TOM OWENS

CONSENT AGENDA

MINUTES OF THE ANNUAL MEETING OF
COVENANT HEALTH AND COMMUNITY
SERVICES, INC. OF JANUARY 24, 2019

***** TOM OWENS

CORPORATE RESOLUTIONS

***** MARTY FRANKLIN
ODIN BERG

AGENDA

10 MINS  2018 AUDITED CONSOLIDATED FINANCIAL
STATEMENTS

***** MARTY FRANKLIN
SC&G

5 MINS  FEBRUARY 2019 AND YTD FINANCIAL REPORTS

***** MARTY FRANKLIN

10 MINS  HOME HEALTH CARE EXPANSION STRATEGY;
COVENANT HOME HEALTH

JEFF MISLEY
ODIN BERG

5 MINS  REVISED 2019 BUDGET

***** MARTY FRANKLIN
ODIN BERG

5 MINS  2019 QUALITY ASSURANCE PERFORMANCE
IMPROVEMENT PLAN

***** DIANE SPARK
KARA BENEDICT

30 MINS  THREE-YEAR HORIZON STRATEGIC PLAN

ODIN BERG
ANDY EDEBURG

OTHER BUSINESS AS SUBMITTED

TOM OWENS

ADJOURNMENT

TOM OWENS

NOTES: **** DENOTES VOTE OR OTHER ACTION REQUIRED

AN EXECUTIVE SESSION WILL BE HELD IMMEDIATELY FOLLOWING
ADJOURNMENT OF THE BOARD MEETING
INTRODUCTION

Mr. Owens convened the meeting at 11:35 a.m. and thanked everyone for attending.

PRESIDENT’S REPORT

Mr. Mislevy gave an update on current activities. Notable was the acquisition opportunity with Capital Home Health in Tallahassee. Mr. Mislevy explained that an asset purchase agreement had been executed subsequent to the approval by the Executive Committee. Acquiring Capital’s home health license would allow Covenant to provide home health services in four additional counties Gadsden, Jefferson, Leon, and Wakulla, located in District 2. Mr. Mislevy explained the purchase terms included:

- Purchase price: $2.875M with 15% escrow (12/18 months)
- Valuation range: $2.7-4.4M; FMV opinion: $3-3.2M
- Seller to continue under employment agreement; key employees retained
- Debt finance: all debt but building extinguished by seller
- 30 days to complete due diligence: termination for material findings
Mr. Mislevy stated that the acquisition would provide Covenant Care with expansion and growth opportunities otherwise unattainable due to the state’s current home health moratorium.

**2018 KEY PERFORMANCE INDICATORS; 2019 ANNUAL PERFORMANCE INCENTIVE PLAN**

Mr. Mislevy presented the final 2018 Key Performance Indicators (KPI) Report for review and discussion. A copy of the report was provided in the handouts. An explanation on each of the five measures was provided along with respective year-end outcomes. Also, 2018 key accomplishments associated with each pillar were presented as well.

Mr. Mislevy presented the proposed 2019 KPI/Annual Performance Incentive Plan for the five pillar measures: Service, People, Quality, Finance and Growth. A copy of the plan was provided in the handouts. After discussion, Mr. Mislevy explained that the proposed 2019 KPI Dashboard would be further reviewed and approved by the Compensation Committee at its February meeting.

**OPERATIONAL SERVICE LINE REPORT**

Mr. Fisher presented the Operational Service Line Report. A copy of the report was provided in the handouts. The overview of the report included enterprise growth, expansion, integration, and transformation objectives pertinent to each service line: Hospice, Home Health, Memory Care, Palliative Care, and Home Care.

**CONSOLIDATED FINANCIAL REPORT - YE DECEMBER 31, 2018**

Mr. Franklin presented the Consolidated December 201 and YTD Financial Report. A copy of the report was provided in the handouts. The following highlights were included in the discussion:

- 2018 year-end operating margin was $210,103; .3%
- Excess revenues over expenses was $2,326,485

After discussion, Mr. Owens called for a motion to approve the Consolidated December 2018 and YTD Financial Report.

A motion was made and passed.

**2019 COVENANT CARE - CONSOLIDATED BUSINESS PLAN AND BUDGET**

Mr. Berg gave an overview of the 2019 Covenant Care Business Plan and Budget. A copy of the plan and budget was provided in the handouts. The following was discussed:

- Projected average daily census
- Projected revenue and expenses
- Key planning factors
  - Hospice volumes
ANNUAL MEETING OF COVENANT HEALTH AND COMMUNITY SERVICES
January 24, 2019
Cont.

- Home Health Care volumes
- The Residence: capacity and volumes
- Compensation
- Employee benefits: health insurance
- Bay Medical Care Center
- Capital expenditures: West Florida Care Center; other projects
- Palafox Street property
- Interest expense
- Medical Services Office

After discussion, Mr. Owens called for a motion to approve the 2019 Covenant Care Consolidated Business Plan and Budget

A motion was made and passed

ORGANIZATIONAL INTEGRITY

Ms. Benedict presented the Organizational Integrity Report. A copy of the report was provided in the handouts. Updates on Risk Management and Corporate Compliance were provided which included areas such as Health Integrity/AHCA litigation, medical malpractice, physician contracts, and medical staff peer review activities. Ms. Sparks gave a Quality Report on hospice and home health service lines. A copy of the report was provided in the handouts. Also, an explanation was given on the various components of the enterprise-wide 2019 Quality Assurance and Performance Improvement plan.

MINUTES

Mr. Owens called for a motion to approve the Covenant Health and Community Services Board of Directors Meeting of November 15, 2018.

A motion was made and the minutes were approved as submitted.

NEW BUSINESS

ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT HEALTH AND COMMUNITY SERVICES, INC.

Mr. Owens presented the following 2019 Slate of Directors and Officers as provided in the handouts.

New Members
Miller Caldwell, III
Peter Jennings, MD

Current Directors for re-election for second 3-year term:
Rodney Guttmann
Carey King  
Steve Sarros  
Xan Smith  

**Officers:**  
Tom Owens, Chair  
Rodney Guttmann, Vice Chair  
Xan Smith, Treasurer  
Carey King, Secretary  
Jeff Mislevy, President and CEO  

Mr. Owens called for a motion to approve the election of the 2019 Directors and Officers for Covenant Health and Community Services, Inc. as presented.

*A motion was made and passed.*

**ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT HOSPICE, INC.**

Mr. Owens presented the following 2019 Slate of Directors and Officers as provided in the handouts:

**New Members**  
Miller Caldwell, III  
Peter Jennings, MD  

**Current Directors for re-election for second 3-year term:**  
Rodney Guttmann  
Carey King  
Steve Sarros  
Xan Smith  

**Officers:**  
Tom Owens, Chair  
Rodney Guttmann, Vice Chair  
Xan Smith, Treasurer  
Carey King, Secretary  
Jeff Mislevy, President and CEO  

Mr. Owens called for a motion to approve the election of the 2019 Directors and Officers for Covenant Hospice, Inc. as presented.

*The motion was made and passed.*

**ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT HOSPICE FOUNDATION, INC.**
ANNUAL MEETING OF COVENANT HEALTH AND COMMUNITY SERVICES  
January 24, 2019  
Cont.

Mr. Owens presented the following 2019 Slate of Directors and Officers for Covenant Hospice Foundation as provided in the handouts:

**New Directors:**
Jessica Lee  
Joe Boyles  
Madrina Ciano  
Odin Berg  
Susan Davis  
Dennis Barnes  
Ben Lee

**Officers:**
Jessica Lee, Chair  
Joe Boyles, Vice Chair  
Odin Berg, Treasurer  
Madrina Ciano, Secretary  
Jeff Mislevy, President and CEO

Mr. Owens called for a motion to approve the election of the 2019 Directors and Officers for Covenant Hospice Foundation, Inc. as presented.

*The motion was made and passed.*

**ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT AT HOME, INC.**

Mr. Owens presented the following 2019 Slate of Directors and Officers for Covenant At Home, Inc., as provided in the handouts:

**New Director**
Martin Franklin

**Current Directors for re-election for a 1-year term:**
Dr. Jim Smith  
Jeff Mislevy  
Todd Fisher

**Officers:**
Martin Franklin, Chair  
Dr. Jim Smith, Vice Chair  
Jeff Mislevy, Treasurer  
Todd Fisher, Secretary

Mr. Owens called for a motion to approve the election of the 2019 Slate of Directors and Officers for Covenant At Home, Inc.
ANNUAL MEETING OF COVENANT HEALTH AND COMMUNITY SERVICES
January 24, 2019
Cont.

The motion was made and passed.

ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT ALZHEIMER’S SERVICES

New Director:
Martin Franklin

Officers:
Martin Franklin, Chair
Dr. Jim Smith, Vice Chair
Jeff Mislevy, Treasurer
Todd Fisher, Secretary

Mr. Owens called for a motion to approve the election of the 2019 Slate of Directors and Officers for Covenant Alzheimer’s Services, Inc.

A motion was made and passed

RESOLUTION FOR BOARD ANNUAL CERTIFICATION OF CORPORATE POLICIES, PROCEDURES, AND BY-LAWS

RESOLVED, that the Board of Directors of Covenant Health and Community Services, Inc., in accordance with Alabama, Florida, and Federal requirements, hereby certifies that, during 2018, reviews of the Corporate policies, procedures, and By-Laws were conducted from time to time and that any and all necessary changes, amendments, additions, and updates were made and approved.

RESOLUTIONS FOR SIGNATURE AUTHORITY FOR FINANCIAL INSTITUTIONS

RESOLVED, that the Board of Directors of Covenant Health and Community Services does hereby authorize the following Officers of the Corporation to authorize the deposit, transfer, and withdrawal of funds from the Corporation's banking and investment accounts within currently approved policies and procedures, with any and all transactions requiring the signature of at least two of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures:”

Officers: Rodney Guttmann Xan Smith Carey King Jeff Mislevy
Staff: Martin Franklin Odin Berg Judi Ashline

Mr. Owens stated for the record that he was prevented from signature authority in accordance with Branch Banking and Trust Company’s code of ethics.
RESOLVED, that the Board of Directors of Covenant Health and Community Services, Inc. does hereby authorize the following individuals of Covenant Palliative Care Services, LLC, Covenant Home Health Holdings, LLC, Covenant Home Health Care, LLC, CHCS IP Holdings, LLC, Covenant Capital Home Health, LLC, Covenant Help at Home, LLC, and Covenant Memory Care Center at the Joyce Goldenberg Campus, LLC to authorize the deposit, transfer, and withdrawal of funds from the LLCs’ banking accounts within currently approved policies and procedures, with any and all transactions requiring the signature of one of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures.

Staff:  Jeff Mislevy
       Martin Franklin
       Odin Berg

Mr. Owens called for a motion to adopt the above-stated corporate resolutions.

A motion was made and passed.

**2018 EMPLOYEE ENGAGEMENT REPORT; 2019 ENGAGEMENT PLAN**

Ms. Bajjaly presented the 2018 Employee Engagement Report and 2019 Engagement Plan. A copy of the documents was provided in the handouts. Ms. Bajjaly noted the significant improvement in Covenant’s 2018 Grand Mean Engagement Score of 4.26 over 4.02 in 2017. Also, 59% of team members are “engaged,” up from 49% in 2017. The 2018 results showed improvement on all of the twelve “Q12” questions. Ms. Bajjaly reviewed the 2019 KPI People Pillar objectives and milestones as well.

**2019 FOUNDATION PLAN**

Mr. West presented the 2019 Foundation Plan. Growth opportunities included:
• Recruitment of a full-time fundraiser to mobilize Dothan area giving
• Identification of regional volunteer fundraisers (Dothan, Mobile, Tallahassee, Panama City)

Mr. West explained that the effects of Hurricane Michael and the loss a full-time fundraising employee in the Panama City area posed a challenge for 2019. However, the newly-established Foundation Board was well-suited to achieve the Foundation’s financial goals.

**RETIREMENT PLAN**

Mr. Franklin gave an overview of the 2018 Retirement Plan Committee Report. A copy of the report was provided in the handouts. The report provided certification of meetings, the transition of proposals to programs, audit results, and total assets managed under the 2018 plan. Mr. Owens stated that he did not participate in the selection of the plan manager nor did he provide investment advice on behalf of the Retirement Plan.
OLD BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, the meeting is adjourned at 1:40 p.m.

Submitted By: Carey King, Secretary
COVENANT HEALTH AND COMMUNITY SERVICES, INC.  
CORPORATE RESOLUTIONS

RESOLUTION 1:

“The Board of Directors of Covenant Health and Community Services, Inc. does hereby authorize the following Officers of the Corporation to authorize the deposit, transfer, and withdrawal of funds from the Corporation’s banking and investment accounts within currently approved policies and procedures, with any and all transactions requiring the signature of at least two of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures:”

Officers: Rodney Guttmann                  Staff: Martin Franklin  
Xan Smith                                    Odin Berg  
Carey King                                   Todd Fisher  
Jeff Mislevy

RESOLUTION 2:

“The Board of Directors of Covenant Hospice, Inc. does hereby authorize the following officers and staff members of the Corporation to authorize the deposit and withdrawal of funds from the Corporation’s banking accounts, with any and all withdrawals requiring the signature of at least two of the listed authorized persons, or within the Board authorization and policies previously specified for electronic signatures, as follows:”

Officers: Rodney Guttmann                  Staff: Martin Franklin  
Xan Smith                                    Odin Berg  
Carey King                                   Todd Fisher  
Jeff Mislevy

RESOLUTION 3:

“The Board of Directors of Covenant Hospice Foundation, Inc. does hereby authorize the following Officers of the Corporation to authorize the deposit, transfer, and withdrawal of funds from the Corporation's banking and investment accounts within currently approved policies and procedures, with any and all transactions requiring the signature of at least two of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures:”

Officer: Jeff Mislevy                       Staff: Martin Franklin  
                                             Odin Berg  
                                             Todd Fisher
CORPORATE RESOLUTIONS
Cont.

RESOLUTION 4:

“The Board of Directors of Alzheimer’s Family Services, Inc. does hereby authorize the following Officers of the Corporation to authorize the deposit, transfer, and withdrawal of funds from the Corporation's banking and investment accounts within currently approved policies and procedures, with any and all transactions requiring the signature of at least two of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures:”

Officers: Martin Franklin  
James Smith, DO  
Jeff Mislevy  
Todd Fisher

Staff: Odin Berg

RESOLUTION 5:

“The Board of Directors of Covenant At Home, Inc. does hereby authorize the following Officers of the Corporation to authorize the deposit, transfer, and withdrawal of funds from the Corporation's banking and investment accounts within currently approved policies and procedures, with any and all transactions requiring the signature of at least two of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures:”

Officers: Martin Franklin  
James Smith, DO  
Jeff Mislevy  
Todd Fisher

Staff: Odin Berg

RESOLUTION 6:

The Board of Directors of Covenant Health and Community Services, Inc. does hereby authorize the following individuals of Covenant Palliative Care Services, LLC, Covenant Home Health Holding, LLC, Covenant Home Health Care, LLC, CHCS IP Holdings, LLC, Covenant Capital Home Health, LLC, Covenant Help at Home, LLC, and Covenant Memory Care Center at the Joyce Goldenberg Campus, LLC to authorize the deposit, transfer, and withdrawal of funds from the LLCs’ banking accounts within currently approved policies and procedures, with any and all transactions requiring the signature of one of the below listed authorized individuals, and further authorizes the President and CEO to authorize the management of deposited funds in accordance with approved corporate policies and procedures.

Staff: Jeff Mislevy  
Martin Franklin  
Odin Berg  
Todd Fisher
RESOLUTION 7:

“RESOLVED, that the corporation lease from Enterprise Fleet Management, hereinafter called Enterprise, from time to time, such motor vehicles upon such terms and conditions, as in the judgment of Officers or employees hereinafter authorized, Covenant Hospice, Inc. may require.

RESOLVED FURTHER, that the following individuals are authorized and empowered on behalf of and in the name of Covenant Hospice, Inc. to execute Motor Vehicle Leases with Enterprise on such terms as may be agreed to by said person.

Jeff Mislevy
Martin Franklin
Odin Berg

RESOLVED FURTHER, that Enterprise is authorized to act upon this resolution until written notice of its revocation is received by Enterprise.”

RESOLUTION 8:

“RESOLVED, that the Covenant Hospice Board of Directors approves the terms of the proposed lease of properties located at 1901 and 2001 North Palafox Street in Pensacola, for an initial five-year term, followed by two subsequent optional five-year renewals. The lease contains an initial monthly lease rate of $25,321.72, increasing at an annual rate of 2% over the term of the lease. Occupancy is to occur May 1, 2019.

RESOLVED, the Board approves the execution of all documents and actions necessary for management to complete this transaction.”
## Consolidated Financial Results

### Month of February 2019

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>%</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET REVENUE</strong></td>
<td>5,511,071</td>
<td>5,415,687</td>
<td>95,385</td>
<td>1.8%</td>
<td>11,141,590</td>
<td>11,224,006</td>
<td>(82,416)</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>DIRECT CARE EXPENSES</strong></td>
<td>3,524,427</td>
<td>3,562,674</td>
<td>(38,247)</td>
<td>-1.1%</td>
<td>7,195,438</td>
<td>7,416,228</td>
<td>(220,790)</td>
<td>-3.0%</td>
</tr>
<tr>
<td><strong>CONTRIBUTION FROM OPERATIONS</strong></td>
<td>1,986,645</td>
<td>1,853,013</td>
<td>133,632</td>
<td>7.2%</td>
<td>3,946,152</td>
<td>3,807,778</td>
<td>138,374</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>CONTRIBUTION %</strong></td>
<td>36.0%</td>
<td>34.2%</td>
<td>1.8%</td>
<td></td>
<td>35.4%</td>
<td>33.9%</td>
<td>1.5%</td>
<td></td>
</tr>
<tr>
<td><strong>GENERAL &amp; ADMINISTRATIVE EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>817,784</td>
<td>874,942</td>
<td>(57,158)</td>
<td>-6.5%</td>
<td>1,663,637</td>
<td>1,744,565</td>
<td>(80,928)</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Payroll</td>
<td>917,943</td>
<td>941,064</td>
<td>(23,122)</td>
<td>-2.5%</td>
<td>1,824,533</td>
<td>1,959,531</td>
<td>(134,999)</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Benefits</td>
<td>179,879</td>
<td>179,327</td>
<td>552</td>
<td>0.3%</td>
<td>378,600</td>
<td>373,193</td>
<td>5,407</td>
<td>1.4%</td>
</tr>
<tr>
<td>Allocation from CHCS</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>TOTAL G&amp;A EXPENSES</strong></td>
<td>1,915,605</td>
<td>1,995,333</td>
<td>(79,728)</td>
<td>-4.0%</td>
<td>3,866,769</td>
<td>4,077,290</td>
<td>(210,520)</td>
<td>-5.2%</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>71,039</td>
<td>(142,320)</td>
<td>213,359</td>
<td>-149.9%</td>
<td>79,383</td>
<td>(269,511)</td>
<td>348,894</td>
<td>-129.5%</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN %</strong></td>
<td>1.3%</td>
<td>-2.6%</td>
<td>3.9%</td>
<td></td>
<td>0.7%</td>
<td>-2.4%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating Revenues</td>
<td>18,084</td>
<td>34,428</td>
<td>(16,344)</td>
<td>-47.5%</td>
<td>44,419</td>
<td>67,888</td>
<td>(23,469)</td>
<td>-34.6%</td>
</tr>
<tr>
<td>Other Non-Operating Expense</td>
<td>(57,353)</td>
<td>(62,575)</td>
<td>5,221</td>
<td>-8.3%</td>
<td>(119,174)</td>
<td>(127,387)</td>
<td>8,213</td>
<td>-6.4%</td>
</tr>
<tr>
<td><strong>NET NON-OPERATING REVENUE</strong></td>
<td>(39,269)</td>
<td>(28,147)</td>
<td>(11,122)</td>
<td>39.5%</td>
<td>(74,756)</td>
<td>(59,499)</td>
<td>(15,256)</td>
<td>25.6%</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENSES</strong></td>
<td>31,770</td>
<td>(170,467)</td>
<td>202,237</td>
<td>-118.6%</td>
<td>4,627</td>
<td>(329,010)</td>
<td>333,637</td>
<td>-101.4%</td>
</tr>
</tbody>
</table>
Consolidated Operating Margin
Trailing Twelve Months

Mar-18: ($63,639)
Apr-18: $189,109
May-18: $180,108
Jun-18: ($58,251)
Jul-18: $113,379
Aug-18: $41,250
Sep-18: $83,765
Oct-18: ($30,262)
Nov-18: ($96,974)
Dec-18: $15,598
Jan-19: $8,344
Feb-19: $71,039
Consolidated Operating Margin
Post Hurricane Michael

Oct-18: $(30,262)
Nov-18: $(96,974)
Dec-18: $15,598
Jan-19: $8,344
Feb-19: $71,039
<table>
<thead>
<tr>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
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<tbody>
<tr>
<td>FEB</td>
<td></td>
<td></td>
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<td>FY 2019</td>
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</tr>
<tr>
<td>4,064,398</td>
<td>3,897,383</td>
<td>167,016</td>
<td>4.3%</td>
<td>NET PATIENT/FAMILY CARE REVENUE</td>
<td>8,356,165</td>
<td>8,165,846</td>
<td>190,319</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>2,790,751</td>
<td>2,840,468</td>
<td>(49,716)</td>
<td>-1.8%</td>
<td>TOTAL PATIENT/FAMILY CARE EXPENSES</td>
<td>5,804,621</td>
<td>5,953,511</td>
<td>(148,890)</td>
<td>-2.5%</td>
<td></td>
</tr>
<tr>
<td>1,273,647</td>
<td>1,056,915</td>
<td>216,732</td>
<td>20.5%</td>
<td>CONTRIBUTIONS FROM OPERATIONS</td>
<td>2,551,544</td>
<td>2,212,335</td>
<td>339,209</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CONTRIBUTION %</td>
<td></td>
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</tr>
<tr>
<td>31.3%</td>
<td>27.1%</td>
<td>4.2%</td>
<td></td>
<td></td>
<td>30.5%</td>
<td>27.1%</td>
<td>3.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,364,604</td>
<td>1,344,617</td>
<td>19,987</td>
<td>1.5%</td>
<td>TOTAL G&amp;A EXPENSES</td>
<td>2,727,618</td>
<td>2,759,750</td>
<td>(32,132)</td>
<td>-1.2%</td>
<td></td>
</tr>
<tr>
<td>(90,957)</td>
<td>(287,702)</td>
<td>196,745</td>
<td>-68.4%</td>
<td>OPERATING MARGIN</td>
<td>(176,074)</td>
<td>(547,415)</td>
<td>371,341</td>
<td>-67.8%</td>
<td></td>
</tr>
<tr>
<td>-2.2%</td>
<td>-7.4%</td>
<td>5.1%</td>
<td></td>
<td>OPERATING MARGIN %</td>
<td>-2.1%</td>
<td>-6.7%</td>
<td>4.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15,152</td>
<td>29,143</td>
<td>(13,990)</td>
<td>-48.0%</td>
<td>NON OPERATING INCOME</td>
<td>34,342</td>
<td>55,080</td>
<td>(20,738)</td>
<td>-37.6%</td>
<td></td>
</tr>
<tr>
<td>(75,805)</td>
<td>(258,559)</td>
<td>182,754</td>
<td>-70.7%</td>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>(141,732)</td>
<td>(492,335)</td>
<td>350,603</td>
<td>-71.2%</td>
<td></td>
</tr>
<tr>
<td>-1.8%</td>
<td>-6.5%</td>
<td>4.7%</td>
<td></td>
<td>MARGIN %</td>
<td>-1.7%</td>
<td>-5.9%</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20,089</td>
<td>20,138</td>
<td>(49)</td>
<td></td>
<td>PATIENT DAYS</td>
<td>41,779</td>
<td>42,154</td>
<td>(375)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>717</td>
<td>719</td>
<td>(2)</td>
<td></td>
<td>AVERAGE DAILY CENSUS</td>
<td>1,492</td>
<td>1,505</td>
<td>(13)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>59</td>
<td>(10)</td>
<td></td>
<td>AVERAGE LENGTH OF STAY</td>
<td>48</td>
<td>59</td>
<td>(11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>406</td>
<td>341</td>
<td>65</td>
<td></td>
<td>ADMISSIONS</td>
<td>876</td>
<td>716</td>
<td>160</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Covenant Hospice
Average Daily Census
Trailing Twelve Months

769  779  771  792  787  796  777  736  690  685  700  717
Covenant Hospice
Average Daily Census
Post Hurricane Michael

<table>
<thead>
<tr>
<th></th>
<th>Nov-18</th>
<th>Dec-18</th>
<th>Jan-19</th>
<th>Feb-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census</td>
<td>690</td>
<td>685</td>
<td>700</td>
<td>717</td>
</tr>
</tbody>
</table>

Graph showing a trend in average daily census post Hurricane Michael with a steady increase from November 2018 to February 2019.
## Covenant Home Health Care

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>2019 FY 2019</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Patient Care Revenue</strong></td>
<td>1,189,255</td>
<td>2,274,458</td>
<td>2,531,199</td>
<td>(256,741)</td>
<td>-10.1%</td>
</tr>
<tr>
<td><strong>Total Patient Care Expenses</strong></td>
<td>598,505</td>
<td>1,118,984</td>
<td>1,245,637</td>
<td>(126,653)</td>
<td>-10.2%</td>
</tr>
<tr>
<td><strong>Contributions from Operations</strong></td>
<td>590,750</td>
<td>1,155,474</td>
<td>1,285,562</td>
<td>(130,088)</td>
<td>-10.1%</td>
</tr>
<tr>
<td><strong>Total G&amp;A Expenses</strong></td>
<td>408,347</td>
<td>835,397</td>
<td>939,640</td>
<td>(104,243)</td>
<td>-11.1%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>182,403</td>
<td>320,077</td>
<td>345,922</td>
<td>(25,846)</td>
<td>-7.5%</td>
</tr>
<tr>
<td><strong>Non Operating Income/(Expense)</strong></td>
<td>(19,144)</td>
<td>(40,569)</td>
<td>(40,871)</td>
<td>302</td>
<td>-0.7%</td>
</tr>
<tr>
<td><strong>Excess of Revenue Over Expenses</strong></td>
<td>163,259</td>
<td>279,507</td>
<td>305,051</td>
<td>(25,544)</td>
<td>-8.4%</td>
</tr>
</tbody>
</table>

### Variance

<table>
<thead>
<tr>
<th></th>
<th>2019 FY 2019</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Daily Census</strong></td>
<td>2,496</td>
<td>1,0126</td>
<td>0.9066</td>
<td>0.1060</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>Average Medicare Reimbursement Per Episode</strong></td>
<td>$2,496</td>
<td>$2,445</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Key Metrics

<table>
<thead>
<tr>
<th></th>
<th>2019 FY 2019</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Visits</strong></td>
<td>7,925</td>
<td>15,915</td>
<td>16,521</td>
<td>(606)</td>
<td>-3.7%</td>
</tr>
<tr>
<td><strong>Total Admissions</strong></td>
<td>379</td>
<td>811</td>
<td>822</td>
<td>(11)</td>
<td>-1.3%</td>
</tr>
<tr>
<td><strong>Recertification Rate</strong></td>
<td>32.0%</td>
<td>31.5%</td>
<td>30.0%</td>
<td>1.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Average Medicare Case Mix Weight</strong></td>
<td>1.0266</td>
<td>1.0126</td>
<td>0.9066</td>
<td>0.1060</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>Average Medicare Reimbursement Per Episode</strong></td>
<td>$2,360</td>
<td>$2,360</td>
<td>85</td>
<td>3.6%</td>
<td></td>
</tr>
</tbody>
</table>
Covenant Home Health Care
Average Daily Census
Trailing Twelve Months

Mar-18: 814
Apr-18: 859
May-18: 884
Jun-18: 866
Jul-18: 840
Aug-18: 853
Sep-18: 832
Oct-18: 840
Nov-18: 855
Dec-18: 823
Jan-19: 716
Feb-19: 854
# The Residence Memory Care Center

## Income Statement

<table>
<thead>
<tr>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NET REVENUE</td>
<td>112,311</td>
<td>131,530</td>
<td>(19,219)</td>
<td>-14.6%</td>
<td>236,438</td>
<td>261,060</td>
<td>(24,622)</td>
</tr>
<tr>
<td></td>
<td>TOTAL RESIDENT CARE EXPENSES</td>
<td>74,570</td>
<td>72,514</td>
<td>2,056</td>
<td>2.8%</td>
<td>151,750</td>
<td>152,028</td>
<td>(278)</td>
</tr>
<tr>
<td></td>
<td>CONTRIBUTION MARGIN</td>
<td>37,741</td>
<td>59,016</td>
<td>(21,275)</td>
<td>-36.0%</td>
<td>84,688</td>
<td>109,032</td>
<td>(24,344)</td>
</tr>
<tr>
<td></td>
<td>GENERAL &amp; ADMINISTRATIVE EXPENSES</td>
<td>43,895</td>
<td>47,315</td>
<td>(3,420)</td>
<td>-7.2%</td>
<td>89,827</td>
<td>96,156</td>
<td>(6,329)</td>
</tr>
<tr>
<td></td>
<td>OPERATING MARGIN</td>
<td>(6,153)</td>
<td>11,701</td>
<td>(17,854)</td>
<td>-152.6%</td>
<td>(5,139)</td>
<td>12,876</td>
<td>(18,015)</td>
</tr>
<tr>
<td></td>
<td>TOTAL NON-OPERATING REVENUE &amp; EXPENSES</td>
<td>905</td>
<td>905</td>
<td>0</td>
<td>0.0%</td>
<td>1,810</td>
<td>1,810</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>(7,058)</td>
<td>10,796</td>
<td>(17,854)</td>
<td>-165.4%</td>
<td>(6,949)</td>
<td>11,066</td>
<td>(18,015)</td>
</tr>
<tr>
<td></td>
<td>RESIDENT DAYS</td>
<td>571</td>
<td>644</td>
<td>(73)</td>
<td>-11.3%</td>
<td>1,213</td>
<td>1,357</td>
<td>(144)</td>
</tr>
<tr>
<td></td>
<td>AVERAGE DAILY CENSUS</td>
<td>20.4</td>
<td>23.0</td>
<td>(2.6)</td>
<td>-11.3%</td>
<td>20.6</td>
<td>23.0</td>
<td>(2.4)</td>
</tr>
</tbody>
</table>
The Residence Memory Care Center
Average Daily Census
Trailing Twelve Months
### OTHER ENTITIES

#### COVENANT HOSPICE FOUNDATION

<table>
<thead>
<tr>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
<th>OPERATING MARGIN</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEB</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>36,156</td>
<td>28,568</td>
<td>7,588</td>
<td>26.6%</td>
<td>OPERATING MARGIN</td>
<td>56,074</td>
<td>52,247</td>
<td>3,827</td>
<td>7.3%</td>
</tr>
<tr>
<td></td>
<td>37,115</td>
<td>29,690</td>
<td>7,425</td>
<td>-25.0%</td>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>60,048</td>
<td>54,491</td>
<td>5,557</td>
<td>-10.2%</td>
</tr>
</tbody>
</table>

#### COVENANT CAREGIVERS (PRIVATE DUTY)

<table>
<thead>
<tr>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
<th>OPERATING MARGIN</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(188)</td>
<td>(1,337)</td>
<td>1,149</td>
<td>-85.9%</td>
<td>OPERATING MARGIN</td>
<td>(1,212)</td>
<td>(2,805)</td>
<td>1,593</td>
<td>-56.8%</td>
</tr>
<tr>
<td></td>
<td>(188)</td>
<td>(1,337)</td>
<td>1,149</td>
<td>85.9%</td>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>(1,212)</td>
<td>(2,805)</td>
<td>1,593</td>
<td>56.8%</td>
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</tbody>
</table>

#### COVENANT HEALTH AND COMMUNITY SERVICES

<table>
<thead>
<tr>
<th>2019</th>
<th>MONTH</th>
<th>BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
<th>OPERATING MARGIN</th>
<th>YEAR TO DATE</th>
<th>YEAR TO DATE BUDGET</th>
<th>VARIANCE</th>
<th>% VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(73,074)</td>
<td>(89,773)</td>
<td>16,699</td>
<td>-18.6%</td>
<td>OPERATING MARGIN</td>
<td>(165,129)</td>
<td>(181,835)</td>
<td>16,706</td>
<td>-9.2%</td>
</tr>
<tr>
<td></td>
<td>(73,449)</td>
<td>(89,773)</td>
<td>16,324</td>
<td>18.2%</td>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>(165,879)</td>
<td>(181,835)</td>
<td>15,956</td>
<td>8.8%</td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 24,298,447</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Accounts Receivable</td>
<td>12,143,670</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Receivables</td>
<td>2,420,520</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>1,239,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>1,383,681</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$ 41,486,119</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Property, Plant and Equipment</td>
<td>16,154,106</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill and Other Intangible Assets</td>
<td>9,403,110</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 67,043,335</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ 2,767,273</td>
</tr>
<tr>
<td>Accrued Expenses</td>
<td>3,402,422</td>
</tr>
<tr>
<td>Other Current Liabilities</td>
<td>3,551,612</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$ 9,721,307</td>
</tr>
<tr>
<td>Mortgage Payable</td>
<td>5,467,727</td>
</tr>
<tr>
<td>Other Long Term Loans</td>
<td>6,557,444</td>
</tr>
<tr>
<td>Lines of Credit</td>
<td>6,310,000</td>
</tr>
<tr>
<td>Total Long Term Liabilities</td>
<td>$ 18,335,172</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$ 28,056,479</td>
</tr>
</tbody>
</table>

| Unrestricted Net Assets                    | $ 35,056,762 |
| Board Designated Net Assets                | 911,141      |
| Donor Restricted Net Assets                | 3,018,953    |
| **Total Net Assets**                       | $ 38,986,856 |

| **Total Liabilities and Net Assets**       | $ 67,043,335 |
NOTES:
1. Approx. $15,900,000 of the Covenant Hospice investment portfolio is restricted to satisfy the requirements of a loan commitment.
2. After deducting the net valuation of Florida Medicaid Managed Care receivables, Days Revenue Outstanding are 42
3. “Debt” is defined as bond and loan indebtedness.
4. “Current ratio” = Current assets divided by current liabilities
Covenant Care
Consolidated Income Statement

<table>
<thead>
<tr>
<th></th>
<th>Actual 2018</th>
<th>Budget 2019</th>
<th>Variance 2019</th>
<th>% Inc/(Dec) 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET PATIENT/FAMILY CARE/PROGRAM REVENUE</td>
<td>71,394,645</td>
<td>71,683,382</td>
<td>215,250</td>
<td>0.3%</td>
</tr>
<tr>
<td>TOTAL PATIENT/FAMILY CARE EXPENSES</td>
<td>47,443,231</td>
<td>47,262,776</td>
<td>(308,918)</td>
<td>-0.6%</td>
</tr>
<tr>
<td>CONTRIBUTIONS FROM OPERATIONS</td>
<td>23,951,413</td>
<td>24,420,607</td>
<td>524,168</td>
<td>2.2%</td>
</tr>
<tr>
<td>CONTRIBUTION %</td>
<td>33.5%</td>
<td>34.1%</td>
<td>0.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td>GENERAL &amp; ADMINISTRATIVE EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Direct</td>
<td>10,830,197</td>
<td>10,585,375</td>
<td>(578,879)</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Payroll</td>
<td>10,846,899</td>
<td>11,150,969</td>
<td>712,976</td>
<td>6.8%</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,064,215</td>
<td>2,133,780</td>
<td>189,093</td>
<td>9.7%</td>
</tr>
<tr>
<td>Allocation from CHCS</td>
<td>-</td>
<td>(0)</td>
<td>(0)</td>
<td></td>
</tr>
<tr>
<td>TOTAL G&amp;A EXPENSES</td>
<td>23,741,311</td>
<td>23,870,124</td>
<td>323,190</td>
<td>1.4%</td>
</tr>
<tr>
<td>OPERATING MARGIN</td>
<td>210,103</td>
<td>550,483</td>
<td>200,978</td>
<td>57.5%</td>
</tr>
<tr>
<td>OPERATING MARGIN %</td>
<td>0.3%</td>
<td>0.8%</td>
<td>0.3%</td>
<td>57.0%</td>
</tr>
<tr>
<td>NON-OPERATING REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating Revenues</td>
<td>6,117,266</td>
<td>791,669</td>
<td>(1,449,969)</td>
<td>-64.7%</td>
</tr>
<tr>
<td>Other Non-Operating Expense</td>
<td>(4,000,883)</td>
<td>785,632</td>
<td>391,151</td>
<td>99.2%</td>
</tr>
<tr>
<td>NET NON-OPERATING REVENUE</td>
<td>2,116,383</td>
<td>6,037</td>
<td>(1,841,119)</td>
<td>-99.7%</td>
</tr>
<tr>
<td>EXCESS OF REVENUE OVER EXPENSES</td>
<td>2,326,485</td>
<td>556,520</td>
<td>(1,640,142)</td>
<td>-74.7%</td>
</tr>
</tbody>
</table>
### Covenant Care
Change to 2019 Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Operating Income</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>As presented in November</td>
<td>$550,483</td>
<td>$556,520</td>
</tr>
<tr>
<td>Change for HHA expansion</td>
<td>$(909,827)</td>
<td>$(909,827)</td>
</tr>
<tr>
<td>Revised, as of 02/27/19</td>
<td>$(359,344)</td>
<td>$(353,307)</td>
</tr>
</tbody>
</table>
CONSENT AGENDA

CONVENING OF MEETING	TOM OWENS
MINUTES OF THE COVENANT HOSPICE, INC. ANNUAL MEETING OF JANUARY 24, 2019	***** TOM OWENS
COVENANT CARE FEBRUARY 2019 AND YTD FINANCIAL STATEMENTS	***** ODIN BERG
OTHER BUSINESS AS SUBMITTED	TOM OWENS
ADJOURNMENT	TOM OWENS

NOTES: **** DENOTES VOTE OR OTHER ACTION REQUIRED
Covenant Hospice, Inc.

ANNUAL MEETING OF THE BOARD OF DIRECTORS
Thursday, January 24, 2019

MINUTES

MEMBERS PRESENT: Susan Davis
               Teresa Dos Santos
               Rodney Guttmann
               Carey King
               Jeff Mislevy
               Tom Owens
               Brett Parra
               Don Haferkamp
               Steve Sarros
               Xan Smith

MEMBERS ABSENT: Jamie Campbell
                Janet Kinney
                Kent Skolrood
                Xan Smith

LEADERSHIP STAFF: Amy Bajjaly
                  Kara Benedict
                  Odin Berg
                  Todd Fisher
                  Martin Franklin
                  Diane Sparks
                  Aaron West

LEGAL COUNSEL: Robert Jones

INTRODUCTION

Mr. Owens convened the meeting at 11:35 a.m. and thanked everyone for attending.

CONSOLIDATED FINANCIAL REPORT - YE DECEMBER 31, 2018

Mr. Franklin presented the Consolidated December 2019 and YTD Financial Report. A copy of the report was provided in the handouts. The following highlights were discussed.

- 2018 year-end operating margin was $210,103; .3%
- Excess revenues over expenses was $2,326,485

After discussion, Mr. Owens called for a motion to approve the Consolidated December 2018 and YTD Financial Report.

A motion was made and passed.
MINUTES

Mr. Owens called for a motion to approve the minutes of the Covenant Hospice Board of Directors Meeting of November 15, 2018.

A motion was made and the minutes were approved as submitted.

NEW BUSINESS

RESOLUTIONS FOR SIGNATURE AUTHORITY FOR FINANCIAL INSTITUTIONS

RESOLVED, that the Board of Directors of Covenant Hospice, Inc. does hereby authorize the following officers and staff members of the Corporation to authorize the deposit and withdrawal of funds from the Corporation’s banking accounts, with any and all withdrawals requiring the signature of at least two of the listed authorized persons, or within the Board authorization and policies previously specified for electronic signatures, as follows:"

<table>
<thead>
<tr>
<th>Officers</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rodney Guttmann</td>
<td>Martin Franklin</td>
</tr>
<tr>
<td>Xan Smith</td>
<td>Odin Berg</td>
</tr>
<tr>
<td>Carey King</td>
<td>Judy Ashline</td>
</tr>
<tr>
<td>Jeff Mislevy</td>
<td></td>
</tr>
</tbody>
</table>

Mr. Owens stated for the record that he was prevented from signature authority in accordance with Branch Banking and Trust Company’s code of ethics.

RATIFICATION OF ELECTION OF DIRECTORS AND OFFICERS FOR COVENANT HOSPICE, INC.

Mr. Owens presented the following corporate resolutions to ratify the election of 2019 Covenant Hospice, Inc. Directors and Officers:

RESOLVED, that the Board of Directors of Covenant Hospice, Inc. does hereby accept and endorse the election and re-election of the Directors for the Corporation as selected by vote of the Board of Directors of Covenant Health and Community Services, Inc., in accordance with the By-Laws of each Corporation.

RESOLVED, that the Board of Directors of Covenant Hospice, Inc. does hereby accept the Slate of Officers as approved by the Covenant Health and Community Services Board of Directors and does hereby elect those Directors to serve as the Officers of the Covenant Hospice, Inc., in accordance with the By-Laws of each Corporation.

Mr. Owens called for a motion to adopt the above-stated corporate resolutions.

A motion was made and passed.
OLD BUSINESS

None.

ADJOURNMENT

There being no further business to discuss, the meeting is adjourned at 1:40 p.m.

Submitted By:  Carey King, Secretary