

Severance Agreement Addendum

Parties.

This Severance Agreement Addendum is an addendum to that certain Employment Agreement of Chief Executive Officer dated effective October 1, 2025 (collectively herein "Agreement") between the Board of Directors of the **OCHILTREE COUNTY HOSPITAL DISTRICT**, 3101 Garrett Drive, Perryton, Texas 79070 (herein referred to as the "District) and Kelly Judice, 12470 FM 1267, Perryton, Texas 79070 (herein referred to as "Judice"). The District and Judice are sometimes collectively referred to as the "Parties" and each of them in the singular as a "Party."

Term.

The term of this Agreement shall be for a period of one year ("Term", including any automatic extensions as provided below) from October 1, 2025 ("Effective Date") and expire on the last day of September, 2026. Provided, however, this Agreement will automatically renew each October 1 for an additional one-year period unless written notice of termination is provided by the terminating Party to the non-terminating Party on or before December 31. Upon timely delivery of the written notice of termination, this Agreement shall automatically terminate on the last day of September of the following year.

Termination, Notice and Severance.

- (a) **Termination for Cause.** Notwithstanding any other provision of this Agreement, the District may immediately terminate this Agreement for cause for the following non-exhaustive reasons:
1. Judice's failure to perform her duties, as particularly listed in Paragraph 2. of this Agreement;
 2. Judice's use of alcohol or drugs in violation of District policy;
 3. Judice's conviction of a felony or a misdemeanor involving moral turpitude, any criminal offense related to substance abuse, any offense related to healthcare fraud or abuse, any crime involving the operation of the District, any violent crime, or any crime related to sexual misconduct;
 4. Breach of any material provision of this Agreement by Judice, or Judice's breach of any other agreement entered into between Judice and the District, or Judice's breach of any agreement entered into by Judice on behalf of the District;

5. Judge's participation in any form of discrimination, discriminatory activity or behavior, or harassment based on gender, race, color, national origin, ancestry, citizenship, religion, age, pregnancy, mental or physical disability, marital status, military status, or any other protected category based on federal, state, and/or local law;
6. Judge's insubordination, including Judge's refusal to obey reasonable directions of the Board, as determined in the reasonable opinion of the Board;
7. Judge's incapacitation by death, the loss of legal capacity, or disability, as determined in the sole discretion of the Board; or
8. Any action by Judge that causes, or may contribute to causing, the District to be excluded from Medicare, Medicaid, or any other federal or state healthcare programs.

(b) Termination Without Cause.

1. **By Judge.** In the event Judge elects to terminate this Agreement without cause, Judge shall provide not less than forty-five (45) days prior written notice to the Board, and the effective date of termination shall be set forth in the written notice. During her final forty-five (45) days of employment with the District, Judge may use any accrued PTO. At its discretion, the District may immediately accept Judge's resignation and pay Judge for the forty-five (45) day notice period.
2. **By District.** The Board may, in its discretion, terminate this Agreement and Judge's duties hereunder without cause.

(c) Consequences of Termination. The following shall occur in the event of termination:

1. **For Cause Termination.** If this Agreement is terminated by the District under paragraph (a) *above*, Judge shall be entitled to an amount equal to her earned but unpaid annual compensation and full reimbursement of all costs and expenses otherwise reimbursable hereunder, up to and including the effective date of termination. No severance pay shall be paid if Judge is terminated for cause. Thereafter, neither Party shall have any further obligations to the other.
2. **Without Cause Termination by Judge.** If this Agreement is

terminated by Justice under (b)1. above, Justice shall be entitled to an amount equal to her earned, but unpaid, compensation and full reimbursement of all costs and expenses otherwise reimbursable hereunder, up to and including the effective date of termination. Thereafter, neither Party shall have any further obligations to the other.

3. **Without Cause Termination by District.** If this Agreement is terminated by the District under (b)2. above, Justice shall be entitled to receive a severance payment equal to the balance of Justice's annual salary from the termination date until the last day of September of the year following the year of termination. Provided, however, severance pay that is paid from tax revenue may not exceed the amount of compensation, at the rate at the termination of employment, Justice would have been paid for 20 weeks, excluding paid time off or accrued vacation leave.

This Agreement is signed on the respective dates set forth below, but effective on October 1, 2025.

District:

OCHILTREE COUNTY HOSPITAL DISTRICT

By:  Date: 10-27-25
STEPHANIE TARVIN, President

Judice:

 Date: 10-27-25
KELLY JUSTICE