

County of Madison

The Madison County Board of Commissioners met in regular session on Tuesday, May 9, 2023, at 7:00 p.m. at the North Carolina Cooperative Extension-Madison County Center located at 258 Carolina Lane, Marshall, North Carolina.

In attendance were Chairman Matt Wechtel, Vice-Chairman Michael Garrison, Commissioner Bill Briggs, Commissioner Jeremy Hensley, Commissioner Alan Wyatt, County Manager Rod Honeycutt, County Attorney Donny Laws, and Clerk Mandy Bradley.

The meeting was called to order at 7:00 p.m. by Chairman Wechtel and the Pledge of Allegiance and moment of silence were observed.

Agenda Item 1: Agenda Approval

Chairman Wechtel requested to amend the agenda as follows:

- Item 2g-Removed from agenda
- Item 2d-To become Item 7c
- Item 6d-Schools Needs Based Grant

Upon motion by Vice-Chairman Garrison and second by Commissioner Hensley, the Board voted unanimously to approve the agenda as amended. (Attachment 1.1)

Agenda Item 2: Consent Agenda

- a. Tax Refunds and Releases (Attachment 2.1)
- b. Kania Law Firm Tax Foreclosure Update (Attachment 2.2)
- c. Madison Health and Rehabilitation Transportation Contract (Attachment 2.3)
- d. Mars Hill VFW Memorial Post Lase and Resolution-Moved to Item 7c
- e. S.L. 2021-103 Substance Abuse Block Grant Contract (Attachment 2.4)
- f. FY 23 Audit Engagement Letter and Contract (Attachment 2.5)
- g. County Alcohol and Drug Free Workplace Policy-Item Removed from Agenda
- h. Child Welfare Adjudication Support Grant Contract (Attachment 2.6)
- i. Juvenile Crime Prevention Council County Funding Plan (Attachment 2.7)
- j. Approval of April 11, 2023 (Special) Meeting Minutes; April 11, 2023 (Regular) Meeting Minutes; April 19, 2023 (Special) Meeting Minutes; April 25, 2023 (Special) Meeting Minutes; April 26, 2023 (Special) Meeting Minutes

Upon motion by Commissioner Wyatt and second by Chairman Wechtel with discussion by the Board and counsel by Attorney Laws, the Board voted unanimously to approve.

Agenda Item 3: Public Comment

Tony Ponder spoke regarding business and development in the County.
(Attachment 3.1)

Agenda Item 4: Ellen Pitt, North Carolina DWI Taskforce

Ms. Pitt presented a power point presentation and discussed the continuous alcohol monitoring bracelet as well as answered questions from members of the Board.

Information discussed included technology utilized for the device, history of use of the device, counties already utilizing the technology, function, funding source and cost of the device, court and inmate costs, benefits, and mitigation provided.

Agenda Item 5: Public Hearing-Biomass Energy Facility Moratorium Ordinance Extension

a. Presentation of Ordinance Extending the Limited Moratorium on Biomass Energy Facilities-Brad Guth, Development Services Director

Mr. Guth presented the proposed Ordinance Extending the Limited Moratorium on Biomass Energy Facilities, a copy of which is hereby attached to the Madison County Ordinance book.

Information discussed by Mr. Guth who also answered questions from members of the Board, included the function of the proposed moratorium extension, duration, and engagement plan.

Chairman Wechtel opened the public hearing.

b. Public Comment

Lana Hornthal spoke regarding stewardship of the land.
Jim Tibbetts spoke regarding biomass facilities.

Chairman Wechtel opened the floor to additional speakers who were not previously signed up to speak.

Jen Barnhart spoke regarding forest vegetation management and the volume needed to operate a biomass facility.
Nick Biemiller spoke regarding forest management.
Glennis Ponder spoke regarding the proposed Moratorium.
Maxine Dalton spoke regarding time utilization for the development of the Ordinance to protect forests and industry.

Upon motion by Commissioner Briggs and second by Commissioner Hensley, the board voted unanimously to close the public comment portion of the hearing. (Attachment 5.2)

c. Discussion

Discussion was had by the Board and Mr. Guth regarding the County's current Land Use Ordinance. Additional information discussed included, types of facilities defined as biomass, businesses currently in operation in the County and effects of the proposed Moratorium Ordinance, biomass facilities in operation in the State, and the processes used to develop amendments to the Land Use Ordinance.

d. Consideration of Adoption

Upon motion by Vice-Chairman Garrison and second by Commissioner Hensley, the Board voted unanimously to extend the Moratorium for one (1) year. (Attachment 5.4)

Agenda Item 6: Kary Ledford, Finance Officer

a. Budget Amendment #10b

Ms. Ledford presented and discussed Budget Amendment #10b for consideration of the Board and answered questions from members of the Board.

Upon counsel by County Attorney Laws with motion by Commissioner Hensley and second by Commissioner Wyatt, the Board voted unanimously to approve. (Attachment 6.1)

b. Budget Amendment #11

Ms. Ledford presented and discussed Budget Amendment #11 for consideration of the Board and answered questions from members of the Board.

Upon motion by Commissioner Wyatt and second by Commissioner Hensley with discussion being had by the Board and Ms. Ledford, the Board voted unanimously to approve. (Attachment 6.2)

c. Financial Report

The April 2023 financial report was presented to the Board by Ms. Ledford who also answered questions from members of the Board. (Attachment 6.3)

d. Schools Needs Based Grant

Ms. Ledford presented the request from Madison County School System for the Schools Need Based Grant and answered questions from members of the Board.

Upon motion by Vice-Chairman Garrison and second by Commissioner Wyatt, the Board voted unanimously to approve. (Attachment 6.4)

Agenda Item 7: Rod Honeycutt, County Manager

a. County Owned Surplus Property

A new bid for county owned surplus property was presented by Mr. Honeycutt for consideration of the Board for parcel identification number 8890-06-0525. Upon motion by Commissioner Hensley and second by Commissioner Wyatt, the Board voted unanimously to reject.

Mr. Honeycutt presented a resolution in request for consideration of disposal of county owned property located on Print Pack Lane for parcel identification number 9716-75-8207. Development Services Director Brad Guth addressed the Board and noted that the request includes that only a .56 acre portion of the parcel be considered for designation as surplus property, as noted in the attached survey. Discussion was had by Mr. Guth and members of the Board. Upon motion by Chairman Wechtel and second by Vice-Chairman Garrison, the Board voted unanimously to declare parcel number 9716-75-8207 as surplus of .56 acres and advertise for sell. (Attachment 7.1)

Counsel was provided by County Attorney Laws regarding other matters to be heard by the Board regarding county owned surplus property and he requested consideration to enter into closed session at a later time for Attorney-Client Privilege. Upon motion by Vice-Chairman Garrison and second by Commissioner Hensley, the Board voted unanimously to table based on the recommendation of the county Attorney.

b. County Board Appointments

Mr. Honeycutt presented and discussed vacancies of the Public Safety Board for representatives of the Towns of Hot Springs, Marshall, and Mars Hill, respectively.

Upon motion by Chairman Wechtel and second by Commissioner Wyatt, the Board voted unanimously to appoint Dan Myers to the Public Safety board based upon the recommendation of Mayor Norton for the representative of the Town of Hot Springs.

Upon motion by Commissioner Wyatt and second by Chairman Wechtel, the Board voted unanimously to appoint Mike Boone as the Town of Marshall representative.

Upon motion by Commissioner Hensley and second by Commissioner Wyatt with discussion being had by the Board and counsel being provided by County Attorney Laws, the Board voted unanimously to appoint Nathan Waldrop as the Town of Mars Hill representative.

c. Mars Hill VFW Memorial Post Lease and Resolution

Vice-Chairman Garrison discussed the proposed lease and resolution for County owned property located on Medical Park Drive between the Hot Springs Health Program and Sheriff's Office in consideration of a ten (10) year lease for the purpose of creating and maintaining a Veteran's Park at the location.

Discussion was had by the Board with counsel provided by County Attorney Laws.

Upon motion by Vice-Chairman Garrison and second by Commissioner Wyatt the Board voted unanimously to approve. (Attachment 7.3)

b. County Owned Surplus Property (cont.)

Upon motion by Commissioner Wyatt and second by Commissioner Hensley, the Board voted unanimously to enter into closed session pursuant to N.C.G.S. 143-318.11 (a)(3) at 8:28 p.m.

Upon motion by Commissioner Wyatt and second by Commissioner Hensley, the Board voted unanimously to return to open session at 8:56 p.m.

Upon motion by Chairman Wechtel and second by Commissioner Briggs, with counsel being provided by County Attorney Laws, the Board voted unanimously to approve the reissuance of lost deeds of the surplus property previously sold to Mr. Wayne Langston with replacement deeds being provided to the Chairman for execution and the County recording the deeds provided that the recording fees are received by the County from Mr. Langston.

Agenda Item 11: Adjournment

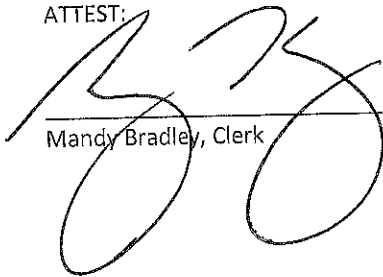
Upon motion by Commissioner Wyatt and second by Commissioner Hensley, the Board voted unanimously to adjourn at 8:58 p.m.

This the 9th day of May 2023.

MADISON COUNTY


Matt Wechtel, Chairman
Board of Commissioners

ATTEST:


Mandy Bradley, Clerk

Madison County Board of Commissioners
Agenda
May 9, 2023

7:00 P.M.

Meeting Called To Order
Pledge of Allegiance
Moment of Silence

1. Agenda Approval
2. Consent Agenda
 - a. Tax Refunds and Releases
 - b. Kania Law Firm Tax Foreclosure Update
 - c. Madison Health and Rehabilitation Transportation Contract
 - d. S.L. 2021-103 Substance Abuse Block Grant Contract
 - e. FY 23 Audit Engagement Letter and Contract
 - f. Child Welfare Adjudication Support Grant Contract
 - g. Juvenile Crime Prevention Council County Funding Plan
 - h. Approval of April 11, 2023 (Special) Meeting Minutes; April 11, 2023 (Regular) Meeting Minutes; April 19, 2023 (Special) Meeting Minutes; April 25, 2023 (Special) Meeting Minutes; April 26, 2023 (Special) Meeting Minutes
3. Public Comment
4. Ellen Pitt, Western North Carolina DWI Taskforce
Continuous Alcohol Monitoring Bracelet
5. Public Hearing-Biomass Energy Facility Moratorium Ordinance Extension
 - a. Presentation of Ordinance Extending the Limited Moratorium on Biomass Energy Facilities-
Brad Guth, Development Services Director
 - b. Public Comment
 - c. Discussion
 - d. Consideration of Adoption
6. Kary Ledford, Finance Officer
 - a. Budget Amendment #10b
 - b. Budget Amendment #11
 - c. Financial Report
 - d. School Needs Based Grant
7. Rod Honeycutt, County Manager
 - a. County Owned Surplus Property
 - b. County Board Appointments
 - c. Mars Hill VFW Memorial Post Lease and Resolution
8. Adjournment

NCPTS V4

TR-304 Bill Release Report

Date run: 5/1/2023 10:14:44 AM
 Data as of: 4/30/2023 7:11:01 PM

Report Parameters:

Release Date Start: 4/1/2023 Release Date End: 4/30/2023
 Tax District: ALL

Default Sort-By: Bill #, Taxpayer Name, Release Date, Billing Date, Operator ID, Release Amount

Grouping: No Grouping

Bill #	Taxpayer Name	Bill Date	Release Reason	Operator ID (Name)	Release Date	Orig Bill Amount(\$)	Release Amount(\$)	Bill Amount after
000001633-2022-2022-0000-00-REG	CHANDLER, JACKIE	8/21/2022	Landfill error	DIANA	4/5/2023	959.52	180.00	779.52
0000008950-2022-2022-0000-00-REG	DELANEY, BRIAN T.	8/21/2022	Landfill error	DIANA	4/5/2023	1,283.14	360.00	893.14
0000010525-2021-2021-0000-00-REG	SAMS, LARRY BRYAN	9/15/2021	Landfill error	DIANA	4/5/2023	888.65	180.00	508.65
0000010525-2022-2022-0000-00-REG	SAMS, LARRY BRYAN	8/21/2022	Landfill error	DIANA	4/5/2023	688.65	180.00	508.65
0000011202-2022-2022-0000-00-REG	TRUSTEE-FORKS OF IVY BAPTIST CH.	8/21/2022	Landfill error	DIANA	4/5/2023	180.00	180.00	0.00
0000015686-2018-2018-0000-00-REG	PEEK, SCOTT	8/15/2018	Correction for MH	MOLLY	4/18/2023	34.55	34.55	0.00
0000015686-2019-2019-0000-00-REG	PEEK, SCOTT	8/28/2019	Correction for MH	MOLLY	4/18/2023	34.55	34.55	0.00
0000015686-2020-2020-0000-00-REG	PEEK, SCOTT	9/21/2020	Correction for MH	MOLLY	4/18/2023	31.90	31.90	0.00
0000015686-2021-2021-0000-00-REG	PEEK, SCOTT	9/15/2021	Correction for MH	MOLLY	4/18/2023	31.90	31.90	0.00
0000015686-2022-2022-0000-00-REG	PEEK, SCOTT	8/21/2022	Correction for MH	MOLLY	4/18/2023	31.90	31.90	0.00
0000016663-2018-2018-0000-00-REG	MOORE'S GENERAL STORE	8/15/2018	Business closed	APRIL	4/13/2023	35.75	35.75	0.00
0000016663-2019-2019-0000-00-REG	MOORE'S GENERAL STORE	9/8/2019	Business closed	APRIL	4/13/2023	47.27	47.27	0.00
0000017546-2021-2021-0000-00-REG	RAMSEY, CHERYL	9/15/2021	Not in County	APRIL	3/31/2023	186.13	186.13	0.00
0000017546-2022-2022-0000-00-REG	RAMSEY, CHERYL	8/21/2022	Not in County	APRIL	3/31/2023	173.10	173.10	0.00
0000018200-2021-2018-0070-00-REG	HENSLEY, DAVID	4/12/2021	Billing Correction	DIANA	4/4/2023	670.31	670.31	0.00
0000018200-2021-2019-0070-00-REG	HENSLEY, DAVID	4/12/2021	Billing Correction	DIANA	4/4/2023	700.76	700.76	0.00
0000018200-2021-2020-0070-00-REG	HENSLEY, DAVID	4/12/2021	Billing Correction	DIANA	4/4/2023	678.43	678.43	0.00
0000451987-2016-2016-0000-00-REG	PEEK, SCOTT	8/15/2016	Correction for MH	MOLLY	4/18/2023	39.94	39.94	0.00
0000451989-2017-2017-0000-00-REG	PEEK, SCOTT	8/15/2017	Correction for MH	MOLLY	4/18/2023	37.15	37.15	0.00
0000568925-2019-2019-0000-00-REG	ABBOT, ROBERT JOSEPH	8/28/2019	Sold/Traded	APRIL	4/4/2023	35.20	35.20	0.00
0000568925-2020-2020-0000-00-REG	ABBOT, ROBERT JOSEPH	9/21/2020	Sold/Traded	APRIL	4/4/2023	32.45	32.45	0.00
0000568925-2021-2021-0000-00-REG	ABBOT, ROBERT JOSEPH	9/15/2021	Sold/Traded	APRIL	4/4/2023	32.45	32.45	0.00

0000568925-2022-2022-0000-00-REG	ABBOT, ROBERT JOSEPH	8/21/2022	Sold/Traded	APRIL	4/4/2023	29.50	29.50	0.00
0000571234-2021-2021-0000-00-REG	MEDLIN, JULIE ANN	9/15/2021	Not in County	MOLLY	4/25/2023	3.25	3.25	0.00
Subtotal							3,946.59	
Total							3,946.59	



Ta *[Faint, illegible text]*

Diana Norton
Interim Tax Administrator

Date: May 9, 2023
To: Board of Commissioners
From (Department): Tax Department
Presenter: (Name): Diana Norton
Re: Kania Law Firm Update

There is not an update at this time.

Attached Document:

Recommended Action: None

Madison County Transportation Authority
387 Long Branch Road, Marshall, NC 28753
828-549-2219

TRANSPORTATION CONTRACT

MADISON COUNTY TRANSPORTATION AUTHORITY (MCTA)
AND
MADISON HEALTH AND REHABILITATION
May 2023 – June 2024

THIS AGREEMENT, effective this 9 day of May 2023 by and between Madison County Transportation Authority herein after referred to as MCTA and Madison Health and Rehabilitation- Mars Hill, NC 28754

Now, therefore in consideration of the mutual covenants set forth therein, MCTA and Madison Health and Rehabilitation.

SECTION 1: PURPOSE OF AGREEMENT:

The purpose of this Agreement is to state the terms and conditions and mutual understanding of the parties, as to the manner in which MCTA will provide transportation services for Madison Health and Rehabilitation.

The purpose of this Agreement is to provide efficient and effective specialized transportation services to Madison Health and Rehabilitation.

SECTION 2: MCTA AGREES:

- To provide transportation services to clients of Madison Health and Rehabilitation. Service will include transporting clients from Madison Health and Rehabilitation to prearranged destination and return if needed. This transportation will be available during MCTA normal workdays. Schedule of Holidays will be provided.
- To provide service during Inclement weather in accordance with the policies and procedure of Madison County Inclement Weather Policy.
- To maintain insurance and safe public transportation vehicles; which meet the requirements of the North Carolina Department of Transportation-Public Transportation Division.
- To provide transportation services which utilize qualified, trained drivers and vehicles that are equipped, maintained and operated in a safe manner.
- Submit to Madison Health and Rehabilitation each month an Itemized statement based on the rates set forth.

Madison County Transportation Authority
387 Long Branch Road, Marshall, NC 28753
828-649-2219

SECTION 3: Madison Health and Rehabilitation AGREES:

- All transported clients must be accompanied by an attendant from Madison Health and Rehabilitation.
- To provide MCTA with appointments in writing at least 2-3 days in advance, for scheduling purposes. Once an appointment is known, please contact MCTA for scheduling. We understand there are appointments that come up unexpectedly; we ask that if available, that scheduling occur with as much advanced notice as possible.
- To provide MCTA with appointment times between 8am and 3:30pm; for transport within Madison County.
- To provide MCTA with appointment times between 8am and 2:00pm; for transport to Buncombe County.
- To provide MCTA with the clients destination information and special needs or assistance that might be required.
- To provide MCTA with the full name & DOB so that a proper registration form may be completed for our data base and document requirements.
- To provide MCTA with adequate notice of cancellation of prescheduled transportation. "Adequate Notice is defined as two hours before transportation or evening before".
- To confirm appointment the day before transport.
- To have passenger ready at 1.5 hours before standard appointment, unless MCTA notes differently. Access to time of pick up will be provided the day before the appointment.
- To reimburse MCTA for transportation services within thirty (30) days from the date of the monthly statement as submitted by MCTA.
- Follow MCTA's rules and regulations listed in policy and procedure manuals.
- Cancellations must be made at least two hours prior to pick up time to prevent being charged.

SECTION 4: Cost of Service:

- By mutual agreement, Madison Health and Rehabilitation agrees to pay \$3.14 per mile (Calculated by direct miles)

SECTION 5: Period of Performance:

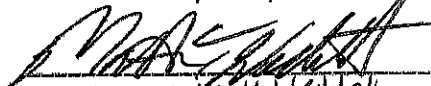
- By mutual agreement, this contract shall be effective May 9, 2023 and shall terminate June 30, 2024 unless renewed or amended by mutual consent of both parties.
- In the event of noncompliance with any provision of this agreement, either party may terminate the agreement by giving the other party thirty (30) days of advance notice.

Madison County Transportation Authority
387 Long Branch Road, Marshall, NC 28753
828-649-2219

"No person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

IN WITNESS WHEREOF, parties hereto have executed this Agreement this day and year first written.

Madison County Transportation Authority



~~Daniel Metcalf~~ *Matt Weibel*

~~Director~~ *Chairman*

Madison County ~~Transportation~~ *Board of Commissioners*
Authority

May 9, 2023

Date

Representative and Title
Madison Health and Rehabilitation

Date



Attachment 2.4

Vaya Health
200 Ridgefield Court, Suite 206
Asheville, NC 28806
1-800-893-6246
www.vayahealth.com

April 28, 2023

Dear Provider:

Congratulations! Your contract with Vaya Health (“Vaya”) is attached.

We recognize that our providers are vital to our success, and we strive to treat each provider equitably and fairly with professionalism and respect, as outlined in our Code of Ethics and Conduct. The Code includes guidance about the solicitation and acceptance of gifts and entertainment, which allows us to conduct business without the implication or perception that decisions or resulting transactions are unfairly influenced. Key components of Vaya’s gift policy are that:

- Vaya never solicits gifts of any kind.
- Vaya staff may not accept gifts of any kind, including cash or its equivalents (gift cards, gift certificates, stock, coupons, etc.).

In an effort to help our employees abide by this standard, we are requesting that all providers, vendors, suppliers and affiliates refrain from offering our employees any items other than ones of nominal value.

Vaya utilizes DocuSign for electronic signature. This process is legal and administratively efficient and eliminates the need to print or mail a copy of the Contract, reducing the costs required to execute the Contract for both you and Vaya. Accordingly, we ask that you please electronically sign your Contract with DocuSign. The instructions for signing can be found at the following link: <https://www.docusign.com/support/how-to-guides/signing-information-for-signers>. Once the Contract is signed by all parties you will receive a fully executed copy via email.

If you have any questions or need additional information, please contact the Vaya Provider Network Operations Department or your Provider Network Manager, as applicable, directly.

Quick reference: Provider Relations Line: 1-866-990-9712
 Provider Relations Email: provider.info@vayahealth.com
 Contracts Email: contracts@vayahealth.com

Below is additional orientation information that you may find useful:

Provider Orientation Resources:

- Our website (www.vayahealth.com) is a helpful resource for Providers and also has information for Members & Caregivers and Community Stakeholders. Provider tools,

trainings, and other resources are available through the Provider Learning Lab located on our website.

- Our Provider Operations Manual is also available on our website. It contains important information about network participation requirements, authorization procedures including criteria on how to evaluate medical necessity and clinical practice guidelines, quality improvement information, screening programs to determine coexisting disorders, billing and reimbursement guidelines, dispute resolution process, and our requirements around financial incentives. It also contains the statement of health plan members' rights and responsibilities. We will notify you via a provider communication bulletin and a notice on our website whenever we update the Provider Operations Manual.
- We are required to share educational information about the False Claims Act – please refer to <https://providers.vayahealth.com/program-integrity/fraud-waste-abuse/> on our website. More information about the False Claims Act and Vaya's efforts to combat fraud, waste and abuse is included in the Provider Operations Manual referenced above.
- Sign up to receive Communication Bulletins: <https://providers.vayahealth.com/learning-lab/communication-bulletins/>.
- Archived bulletins and newsletters can be found at: <https://providers.vayahealth.com/learning-lab/communication-bulletins/>.

Sincerely,
Contracts Team

Attachment(s)

**PROVIDER (NON-STANDARD) PARTICIPATION AGREEMENT BY AND BETWEEN
PROVIDER PARTICIPATION AGREEMENT BY AND BETWEEN
VAYA HEALTH, A NORTH CAROLINA LOCAL MANAGEMENT ENTITY/ MANAGED CARE
ORGANIZATION,
AND
MADISON COUNTY GOVERNMENT,**
(hereinafter individually referred to as a "Party", and collectively as "the Parties")

ARTICLE I: GENERAL TERMS AND CONDITIONS

1.1 **Definitions:** In this Contract, the following words, terms, and acronyms shall have the following special meanings, and the use of the singular of any of these words, terms, or acronyms herein shall be construed to include the plural and vice versa. Any term not otherwise specified herein shall have the same definition and meaning as in N.C.G.S. § 122C-3.

- 1.1.1 "1915(b)/(c) Medicaid Waiver" means the combined North Carolina Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SA) health plan waiver authorized pursuant to section 1915(b) of the Social Security Act and approved by CMS and the North Carolina Home and Community Based Services Innovations waiver authorized pursuant to section 1915(c) of the Act and approved by CMS.
- 1.1.2 "Business day" means a day VAYA is officially open for business, and does not include any Saturdays, Sundays, Legal Public Holidays, other holidays recognized by VAYA, or days that VAYA is closed due to inclement weather. All references to timelines in this Contract shall refer to calendar days unless expressly specified otherwise.
- 1.1.3 "Catchment Area" means the geographic part of the State served by VAYA pursuant to contracts with DHB and DMH/DD/SAS and as of the Effective Date consisting of: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Swain, Transylvania, Watauga, Wilkes, and Yancey counties.
- 1.1.4 "Clean Claim" means a claim that can be processed without obtaining additional information from the provider or from a third party. It does not include a claim from a provider who is under investigation for fraud or abuse or a claim under review for medical necessity. For purposes of Medicaid claims, "Clean Claim" means as defined in 42 CFR § 447.45(b).
- 1.1.5 "Closed Network" means the network of providers who have been selected, credentialed, enrolled and contracted with VAYA to furnish MH/IDD/SU services to Members, or as defined in N.C.G.S. § 108D-1(2).
- 1.1.6 "CMS" means the federal Centers for Medicare and Medicaid Services.
- 1.1.7 "Continuous Quality Improvement (CQI)" refers to a continuous effort to achieve measurable improvements in the efficiency, effectiveness, and accountability of an organization. This process is designed to improve the quality of care and services and Member experience by tracking outcome and performance measures.
- 1.1.8 "Contract" means this Provider (Non-Standard) Participation Agreement by and between VAYA and CONTRACTOR, including any and all appendices, attachments, exhibits, and/or schedules incorporated herein.
- 1.1.9 "CONTRACTOR" means the provider of MH/IDD/SU services pursuant to this Contract. "Vendor" and "Provider", as such terms are used in any of the attachments hereto, shall also refer to CONTRACTOR.
- 1.1.10 "Department" or "DHHS" means the North Carolina Department of Health and Human Services. CONTRACTOR agrees and understands that in the State of North Carolina, the Department is the single state Medicaid agency designated under 42 CFR § 431.10 to administer or supervise the administration the state plan of medical assistance. The Division of Health Benefits ("DHB") is designated with administration, provision, and payment for medical assistance under the Federal Medicaid (Title XIX) and the State Children's Health Insurance (Title XXI) (CHIP) programs. The Division of Social Services is designated with the administration and determination of eligibility for the two programs.
- 1.1.11 "DHB" means the Division of Health Benefits of the Department.
- 1.1.12 "DHSR" means the Division of Health Service Regulation of the Department.
- 1.1.13 "DMH/DD/SAS" means the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services of the Department.

- 1.1.14 "DMH Contract" means the contract between VAYA and DMH/DD/SAS concerning management of non-Medicaid MH/IDD/SU service dollars, including any funding allocation letters issued by DMH/DD/SAS to VAYA.
- 1.1.15 "Emergency services" means as defined in 42 CFR § 438.114.
- 1.1.16 "EVV SaaS Solution" shall mean the electronic visit verification software-as-a-service platform used by CONTRACTOR in accordance with the terms and conditions of this Contract.
- 1.1.17 "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, as amended by Section 1104 of the Patient Protection and Affordable Care Act of 2010 (Pub. L. 111-148), amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152), (together, the Affordable Care Act), and by the Health Information Technology for Economics and Clinical Health Act (HITECH Act) enacted as part of the American Recovery and Reinvestment Act of 2009, and their implementing regulations, all as may be further amended from time to time.
- 1.1.18 "Legal Public Holiday" means those holidays set forth at N.C.G.S. § 103-4.
- 1.1.19 "LME/MCO" means Vaya Health and its successors, a "Local Management Entity/ Managed Care Organization" as that term is defined at N.C.G.S. § 122C-3(20c).
- 1.1.20 "Managing employee" means as defined at 42 CFR § 455.101.
- 1.1.21 "Member" includes the term "Enrollee" as referenced in 42 CFR Part 438 and also refers to any of the following, as applicable to the services delivered by CONTRACTOR: (a) a Medicaid beneficiary whose Medicaid eligibility arises from residence in a county located within the Catchment Area and who is enrolled in a VAYA Health Plan, including, but not limited to, Innovations Waiver participants; (b) an individual who is eligible for non-Medicaid funded services and is enrolled in a VAYA Health Plan, including individuals who receive MH/IDD/SU services funded with state, county, and/or federal block grant dollars; or (c) the legally responsible person for a Member who is a minor or who has been adjudicated incompetent.
- 1.1.22 "MH/IDD/SU" means mental health, intellectual and/or developmental disabilities, and/or substance use disorder/ addiction.
- 1.1.23 "MH/IDD/SU services" or "services" mean those mental health, intellectual and/or developmental disabilities, and/or substance use disorder/addiction services furnished under this Contract.
- 1.1.24 "NC-TOPPS" means the Department's web-based system for gathering outcome and performance data on behalf of individuals receiving a qualified service in the State's public system of MH/SU treatment services.
- 1.1.25 "Network Provider" means as defined in 42 CFR § 438.2 and includes a provider of MH/IDD/SU services that is credentialed by VAYA to provide services to Members and that has a contract in effect for participation in the Closed Network.
- 1.1.26 "Notice" means a written communication between the Parties delivered as set forth in Section 1.15 of this Contract or as otherwise specified herein.
- 1.1.27 "Owner" means a person, limited liability company, partnership, association, or corporation with an ownership or control interest in the CONTRACTOR as set forth at 42 CFR § 455.101, including, but not limited to, all officers, members, directors, managers, and partners of CONTRACTOR.
- 1.1.28 "PHI" means "protected health information," as that term is defined by HIPAA and the HIPAA Administrative Simplification Regulations codified at 45 CFR Parts 160, 162, and 164.
- 1.1.29 "PIHP" means the capitated Prepaid Inpatient Health Plan as defined in 42 CFR § 438.2 and operated by VAYA in accordance with the 1915(b)(c) Medicaid Waiver and Part 438 of Title 42 of the Code of Federal Regulations (CFR).
- 1.1.30 "Post stabilization services" or "Post stabilization care services" mean as defined in 42 CFR § 422.113 and § 438.114.
- 1.1.31 "Provider Communication" means written communication(s) from VAYA specifically directed to Network Providers, including CONTRACTOR, in the form of electronic or hardcopy provider communication bulletins, news, announcements, and website postings.
- 1.1.32 "State" means the State of North Carolina.
- 1.1.33 "VAYA" means Vaya Health or its successor, a LME/MCO.
- 1.1.34 "VAYA Health Plan" means an array of services and benefits offered by VAYA to eligible Members. VAYA manages three (3) Health Plans, the 1915(b) Health Plan, the 1915(c) Innovations Waiver Health Plan, and the non-Medicaid Health Plan.

- 1.1.35 "VAYA Provider Manual" refers to the operational and administrative requirements, policies, procedures, guidelines, and instructions for Network Providers contained in the Provider Operations Manual published on the VAYA website and as further described in Sections 2.18 and 3.2 of this Contract.
- 1.1.36 "Waiver Contract" means the contract between VAYA and DHB to operate the 1915(b)/(c) Medicaid Waiver.

1.2 Purpose and Scope: CONTRACTOR enters into this Contract with VAYA for the purpose of participating in the VAYA Closed Network and providing medically necessary MH/IDD/SU services to VAYA Member(s) in accordance with Section 2.5 of this Contract. This Contract sets forth the rights, responsibilities, terms, and conditions governing CONTRACTOR's participation in the Closed Network and delivery of services to Members. The Parties understand, acknowledge, and agree that participation in the VAYA Closed Network is not, and shall not be construed to mean, participation in the North Carolina Medical Assistance Program as contemplated in N.C.G.S. Chapter 108C. The Parties understand, acknowledge, and agree that this Contract is required by 10A NCAC 27A .0106 in order for CONTRACTOR to be reimbursed for non-Medicaid-funded services.

1.3 Relationship of the Parties: CONTRACTOR is an independent contractor of VAYA. This Contract is not intended and shall not be construed to create the relationship of principal-agent, master-servant, employer-employee, partnership, joint venture, or association between the Parties or any of their owners, officers, directors, members, managers, partners, representatives, employees, or agents. In performance of its duties hereunder, CONTRACTOR is at all times acting and performing as an independent contractor of VAYA, and neither Party, nor their respective past, present, and/or future owners, officers, directors, members, managers, partners, representatives, affiliates, employees, agents, or subcontractors of any tier, shall be considered the partner, agent, servant, associate, employee of, or joint venturer with, the other Party. Further, neither CONTRACTOR, nor its past, present, and/or future owners, officers, directors, members, managers, partners, representatives, affiliates, employees, agents, or subcontractors of any tier, shall by virtue of this Contract or relationship between the Parties be considered an employee, representative, or agent of VAYA for any purpose, including, but not limited to, compensation for services, employee welfare and pension benefits, workers' compensation insurance, or any other fringe benefits of employment.

1.4 Entire Agreement and Integration: This Contract constitutes the entire agreement between VAYA and the CONTRACTOR for the provision of services to Member(s). Any appendices, attachments, exhibits, or schedules referred to herein or attached hereto constitute a part of this Contract and are incorporated herein by reference to the same extent as if fully set forth herein. This Contract supersedes all prior agreements and understandings, whether written or oral, between CONTRACTOR and VAYA with respect to the subject matter hereof. Should the terms of the VAYA Provider Manual or any appendices, attachments, exhibits, or schedules hereto conflict with the terms of this Contract, the terms of this Contract shall govern, unless expressly provided otherwise herein.

1.5 Amendments: Except for changes to Controlling Authority published by CMS, VAYA, or the Department, its divisions, and/or its fiscal agent as referenced in Section 1.6 of this Contract, any alterations, amendments, or modifications to this Contract shall be in writing, signed by all Parties, and attached hereto. CONTRACTOR understands, acknowledges, and agrees that VAYA may periodically make changes to the VAYA Provider Manual or other written policies and procedures as described in Section 2.18 of this Contract. Any substantive or material changes to the VAYA Provider Manual will be posted on the VAYA website at least thirty (30) days prior to the effective date of any such changes and shall become binding upon CONTRACTOR thirty (30) days after notice of website publication via an electronic Provider Communication.

1.6 Controlling Authority: Both Parties agree to comply with the conditions set forth in this Contract, including all appendices, attachments, exhibits, or schedules hereto, and all federal and state laws, rules, regulations, and payor program requirements applicable to the subject matter of this Contract, including any and all subsequent revisions or amendments thereto, (hereinafter referred to as the "Controlling Authority"), which may include but are not limited to the following:

- 1.6.1 Title XIX of the Social Security Act (the "Act") and its implementing regulations;
- 1.6.2 All federal and state civil and criminal laws, rules, and regulations governing the provision of publicly-funded health care services, including, but not limited to, the Anti-Kickback law codified at 42 U.S.C. § 1320a-7b(b) and its implementing regulations; the federal False Claims Act, 31 U.S.C. §§ 3729 – 3733 and its implementing

- regulations; the Ethics in Patient Referrals Act (“Stark Act”) codified at 42 U.S.C. § 1395 and its implementing regulations, and the North Carolina Medical Providers False Claims Act, N.C.G.S. § 108A-70-10 *et seq.*;
- 1.6.3 Applicable provisions of N.C.G.S. Chapters 108A, 108D, 122C, 131D, and 131E;
 - 1.6.4 Applicable provisions of North Carolina Administrative Code Chapters 21, 26, and 27 of Title 10A;
 - 1.6.5 All federal and state laws, rules, and regulations governing patient rights and confidentiality, including but not limited to: (i) N.C.G.S. §§ 75-61 *et seq.*, and §§ 122C-52 through 56; (ii) the DMH/DD/SAS Client Rights Rules in Community Mental Health, Developmental Disabilities & Substance Abuse Services, APSM 95-2; (iii) the DMH/DD/SAS Confidentiality Rules, APSM 45-1; (iv) HIPAA; (v) the HIPAA Administrative Simplification Regulations at 45 CFR Parts 160, 162, and 164; and (vi) Confidentiality of Substance Use Disorder Patient Records laws and regulations codified at 42 U.S.C. § 290dd-2 and 42 CFR Part 2;
 - 1.6.6 The Americans With Disabilities Act of 1990; Titles VI and VII of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; Section 503 and 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; section 1557 of the Affordable Care Act, and subsequent amendments and regulations developed pursuant thereto, including, but not limited to, 45 CFR Part 92; and Non-discrimination provisions in North Carolina Executive Order 24 dated October 18, 2017, to the effect that no person shall, on the grounds of any protected classification or characteristic, including, but not limited to, sex, age, race, color, creed, ancestry, religious affiliation, disability, national origin, gender identity, sexual orientation, pregnancy status, genetic information, health status/ need for health services, Veteran’s or national guard status, marital status, or parental status, be subjected to discrimination in the provision of any services or in employment practices;
 - 1.6.7 The Drug Free Workplace Act of 1988;
 - 1.6.8 Federal and state laws, rules, and regulations concerning care coordination, access to care, utilization review, clinical studies, utilization management, care management, quality management, disclosure, credentialing, third party liability claims, network capacity, electronic health records, and monitoring and program integrity activities, including, but not limited to, those set forth in 42 CFR Parts 433, 438, 440, 441, 455, 456, and 495. For the purpose of this Contract, the Parties understand, acknowledge, and agree that the revisions to 42 CFR Parts 433, 438, 440, and 495 published in the Federal Register on May 6, 2016 (“Final Rule”) will be effective as of the latest required implementation date specified in the Final Rule, unless this Contract specifies an earlier implementation date;
 - 1.6.9 Emergency Preparedness Requirements for Medicare and Medicaid Participating Providers and Suppliers Final Rule, published on September 16, 2016 at 81 FR 63860, and effective on November 15, 2016, for implementation by November 15, 2017;
 - 1.6.10 DMH/DD/SAS Rules for MH/DD/SA Facilities and Services, published as APSM 30-1 and codified at Title 10A of the North Carolina Administrative Code;
 - 1.6.11 DMH/DD/SAS Records Management and Documentation Manual, APSM 45-2; the Record Retention and Disposition Schedule for DMH/DD/SAS Provider Agency, APSM 10-5; the Records Retention and Disposition Schedule for State and Area Facilities, APSM 10-3; and the DHHS Records Retention and Disposition Schedule for Grants, maintained by the Office of the State Controller;
 - 1.6.12 Requirements and reporting obligations related to the Substance Abuse Treatment Block Grant (SAPTBG), Community Mental Health Services Block Grant (CMHSBG), Social Services Block Grant (SSBG), and accompanying state Maintenance of Effort (MOE) requirements; Project to Assist in the Transition from Homelessness (PATH) formula grant; Strategic Prevention Framework – State Incentive Grant (SPF-SIG), Safe and Drug Free Schools and Communities Act (SDFSCA), and all other state, county, and federal grant program funding compliance requirements, as applicable;
 - 1.6.13 NCMMIS Provider Claims and Billing Assistance Guide;
 - 1.6.14 The VAYA Provider Manual as defined herein;
 - 1.6.15 The requirements of any service-specific Scope(s) of Work attached hereto as Attachment A;
 - 1.6.16 VAYA’s Individual and Family Directed Services (“IFDS”) Employer Handbook (applicable only if CONTRACTOR is a provider of Innovations Waiver Community Navigator or Financial Support Services under an IFDS option); and
 - 1.6.17 Any other applicable federal or state laws, rules, or regulations in effect at the time MH/IDD/SU services are rendered to Members which relate to the provision, delivery, billing, or reimbursement of publicly-funded (i.e. Medicaid, state, county/ local, federal block grant) MH/IDD/SU services.

1.7 Compliance: CONTRACTOR understands that Controlling Authority may be revised, amended, or updated during the Term (defined below) of this Contract, and CONTRACTOR agrees to maintain knowledge of Controlling Authority and any changes thereto, to deliver services in accordance with Controlling Authority, and to provide education and training on Controlling Authority to its owners, officers, directors, members, managers, partners, representatives, affiliates, employees, agents, and subcontractors of any tier to ensure compliance with same. If CONTRACTOR delivers Medicaid-reimbursable services, CONTRACTOR shall develop and implement a compliance program in accordance with 42 U.S.C. §1396a(kk)(5).

1.7.1 Compliance with State and Federal Laws: CONTRACTOR understands and agrees that it is subject to all State and federal laws, rules, regulations, and waivers that apply to this Contract and the Waiver Contract, and all persons and entities receiving State and federal funds. CONTRACTOR understands and agrees that any violation by any provider of a State or federal law relating to the delivery of services pursuant to this Contract or any violation of the Waiver Contract could result in liability for money damages and/or civil or criminal penalties and sanctions under State and/or federal law.

1.8 Term: The term of this Contract shall begin on July 1, 2022 and shall remain in effect until June 30, 2023, unless terminated by either Party prior to the expiration of the specified term in accordance with Section 1.16 of this Contract, ("Term"). VAYA reserves the right to impose shorter time limits on the Term of this Contract should CONTRACTOR fail to comply with the terms of this Contract. There is no right of renewal of this Contract or right to be a Network Provider following the expiration or termination of this Contract. VAYA shall determine eligibility for retention as a Network Provider in accordance with VAYA's retention criteria set forth in its written selection and retention policy and Network Access Plan.

1.9 Choice of Law and Forum Selection: This Contract has been accepted and executed and is to be performed in this State. Pursuant to N.C.G.S. § 1G-3, this Contract and the rights and obligations of the Parties hereto shall be construed under, interpreted in accordance with, governed by and enforced under the laws of the State, without giving effect to principles of conflict of laws. CONTRACTOR understands, acknowledges, and agrees that the sole venue for all administrative and legal actions upon this Contract shall be in the General Court of Justice, Superior Court Division of the Trial Courts for Buncombe County, North Carolina, or the U.S. District Court for the Western District of North Carolina, Asheville Division. CONTRACTOR hereby consents to the jurisdiction of these state and federal courts located in Asheville, North Carolina.

1.10 Headings: The sections, subsections, and other headings used herein are for reference and convenience only, and shall not enter into the interpretation hereof.

1.11 Counterparts and Electronic Signature: This Contract may be executed in multiple counterparts, which together shall constitute one and the same Contract. The counterparts of this Contract, and any and all appendices, attachments, exhibits, and/or schedules, may be electronically executed and/or delivered by facsimile or other electronic means by any Party to any other Party. The receiving Party may rely on the receipt of such document so executed and/or delivered as if an original had been duly executed and received.

1.12 Non-waiver: No covenant, condition, or undertaking contained in the Contract may be waived except by the written agreement of the Parties. Forbearance or indulgence in any other form by either Party in regard to any covenant, condition, or undertaking to be kept or performed by the other Party shall not constitute a waiver thereof, and until complete satisfaction or performance of all such covenants, conditions, and undertakings, the other Party shall be entitled to invoke any remedy available under the Contract or at law or in equity, despite any such forbearance or indulgence.

1.13 Dispute Resolution: All disputes shall be resolved as outlined in the VAYA Provider Manual and in accordance with VAYA accreditation requirements, including, but not limited to, those of URAC and/or NCQA, as applicable. CONTRACTOR must avail itself of the VAYA internal dispute resolution process prior to commencing any administrative or legal action pursuant to Section 1.9 of this Contract. By executing this Contract, CONTRACTOR explicitly understands, acknowledges, and agrees that disputes based on this Contract are not subject to review by the NC Office of Administrative Hearings.

1.14 **Severability:** Any provision of this Contract which is determined by a court of competent jurisdiction to be prohibited, unenforceable, or not authorized shall be ineffective to the extent of such prohibition, unenforceability, or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability, or legality of such provision. In such case, such determination shall not affect any other provision of this Contract, and the remaining provisions of this Contract shall remain in full force and effect. If any provision or term of this Contract is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the Parties agree that a construction or interpretation which renders the term or provision valid shall be favored.

1.15 **Notice:** Any notice to be given by either Party under this Contract shall be in writing and addressed to the address listed below, or to such other address as the Party may designate by notice to the other Party, or as otherwise specified herein. Notices will be considered effective upon receipt when delivery is by trackable mail, postage prepaid, by electronic means, or by hand delivery.

<p>MADISON COUNTY GOVERNMENT Name: Address: Email:</p>	<p>VAYA HEALTH Office of General Counsel 200 Ridgefield Court Asheville, NC 28806 Contracts@vayahealth.com</p>
---	---

1.16 **Termination:** The Parties understand, acknowledge, and agree that suspension or termination of this Contract is not, and shall not be construed to mean, suspension or termination of CONTRACTOR's participation in the North Carolina Medical Assistance Program as contemplated in N.C.G.S. Chapter 108C. This Contract may be terminated under any of the following circumstances:

- 1.16.1 Either Party may terminate this Contract effective upon written notice to the other Party if Federal, State and/or local funds allocated to VAYA are reduced, revoked, or terminated in a manner beyond the control of VAYA for any part of the Contract period. In such event, VAYA will provide payment to CONTRACTOR for Clean Claims timely submitted for medically necessary services provided to Members which were authorized by VAYA prior to the notification and for which CONTRACTOR is qualified and/or credentialed.
- 1.16.2 In accordance with 10A NCAC 27A .0106, this Contract may be terminated at any time upon mutual consent of both Parties with mutually agreed upon notice to Members, or by either Party for any reason or no reason at all (without cause) by giving at least thirty (30) days' prior written notice of termination to the other Party, or longer notice if required to ensure continuity of care for Members and/or to comply with Controlling Authority, including, but not limited to, N.C.G.S. § 122C-63.
- 1.16.3 CONTRACTOR may terminate this Contract with cause with at least sixty (60) days' prior written notice to VAYA, or longer if required to ensure continuity of care for Members. Cause for termination by CONTRACTOR shall be documented in writing detailing the grounds for the termination, and may include failure of VAYA to timely reimburse CONTRACTOR for Clean Claims as established in Article IV, Billing and Reimbursement.
- 1.16.4 VAYA may terminate this Contract with cause effective upon written notice to the CONTRACTOR or such other date as specified in the notice. Upon the occurrence of "cause," VAYA may take any action up to and including one or more of the following: (i) the termination or suspension of this Contract; (ii) the termination, suspension, exclusion and/or revocation of the CONTRACTOR's, or any of its Owners' or Managing Employees', participation in the Closed Network, credentialing by VAYA or in providing future services to any Member through an out-of-network arrangement; and/or (iii) any other action as specified in the VAYA Provider Manual. Vaya shall document such cause in writing and detail the grounds for the termination and the grounds for any other of the (i)-(iii) aforementioned action(s) taken. Cause for any action up to and including termination, exclusion, and/or revocation includes, but is not limited to:
 - a. The Department issues a revocation or suspension of CONTRACTOR's license to operate or issues a Type A1 penalty against CONTRACTOR; issues a payment suspension against CONTRACTOR in accordance with 42 CFR § 455.23; or issues a revocation of state and/or federal funding against CONTRACTOR in accordance with 10A NCAC 26C .0504; or

- b. CONTRACTOR's participation in the Medicare program, NC Medicaid program, another state's Medicaid program, or N.C. Health Choice program, is suspended, terminated, or excluded; or
 - c. CONTRACTOR is terminated for cause from participation in providing services to enrollees of another LME/MCO or of any other managed care organization; or
 - d. Any other loss of, or sanction against, required facility or professional licensure, accreditation or certification of the CONTRACTOR, or any of its Owners or Managing Employees; or
 - e. Determination by VAYA that CONTRACTOR, or any of its Owners or Managing Employees, fails to meet certification, accreditation or licensure standards prescribed by Controlling Authority; or
 - f. Determination by VAYA that CONTRACTOR, or any of its Owners or Managing Employees, has failed to provide or deliver services as specified in the Contract, including a failure to comply with Controlling Authority, or a failure to provide timely, complete, and accurate documentation of services as required by this Contract; or
 - g. Determination by VAYA that the conduct of CONTRACTOR, or any of its Owners or Managing Employees, or the standard of services provided threatens to place the health or safety of any Member in jeopardy; or
 - h. Determination by VAYA that CONTRACTOR, or any of its Owners or Managing Employees, is engaged in fraudulent or abusive billing, documentation or clinical practices; or
 - i. Determination by VAYA that CONTRACTOR, or any of its Owners or Managing Employees, has provided fraudulent, misleading or misrepresented information to VAYA or any Member; or
 - j. CONTRACTOR, or any of its Owners or Managing Employees, fails to cooperate with any investigation, audit, post-payment review or routine or focused monitoring conducted by VAYA; or
 - k. CONTRACTOR fails to timely reimburse VAYA for overpayment(s) identified by VAYA or fails to comply with any payment plan authorized by VAYA for the repayment of any overpayment(s); or
 - l. CONTRACTOR is acquired, merged, or experiences a change in ownership or control without prior approval of VAYA; or
 - m. CONTRACTOR fails to provide prior, written notice to VAYA of intent to dissolve or cease operations and/or has dissolved or ceased operations, whether due to retirement, bankruptcy, insolvency, relocation, acquisition, merger, or sale, or for any other reason; or
 - n. CONTRACTOR fails to perform Contract obligations without corrective action, regardless of any notice to this effect by VAYA; or
 - o. CONTRACTOR fails to permit access to CONTRACTOR's facilities for any site visits required under 42 CFR § 455.432, unless VAYA determines that adverse action is not in the best interest of the Closed Network and VAYA documents that determination in writing; or
 - p. CONTRACTOR fails to timely enroll, fails to maintain enrollment, or cannot enroll with the Department as a Medicaid provider consistent with CONTRACTOR disclosure, screening, and enrollment requirements; or
 - q. CONTRACTOR has falsified any information provided on documentation submitted that is related to screening, credentialing, or enrollment in VAYA's Closed Network or the State's Medicaid program, including, but not limited to, the enrollment, credentialing, or re-credentialing application; or
 - r. Any other material breach by CONTRACTOR, or any of its Owners or Managing Employees, of this Contract not otherwise described above.
- 1.16.5 If federal or state laws, rules or regulations are amended or judicially interpreted so as to render the fulfillment of the Contract on the part of either Party impossible, both the CONTRACTOR and VAYA shall be discharged from further obligation under the terms of this Contract, except for settlement of the respective debts and claims incurred before the effective date of termination.

1.17 Effect of Termination or Expiration: In the event of expiration (including but not limited to, expiration due to non-renewal) of this Contract, or termination of this Contract as provided in Section 1.16, this Contract, including any and all attachments, appendices, schedules, and exhibits hereto, shall forthwith become void and have no effect, without any liability or obligation on the part of either Party, except as follows:

- 1.17.1 The obligations of the Parties under Sections 1.22 (Confidentiality of PHI and Sensitive Information), 1.23 (Confidentiality of Non-Public Information), 1.24 (Intellectual Property), 1.25 (Publicity), 1.26 (Indemnification and Hold Harmless), 1.27 (Limitation of Liability), 1.28 (Governmental Immunity), 2.14

(Documentation and Access to Records), 2.16 (Program Integrity and other Monitoring Activities), 2.21 (Duties Related to Closure or Termination), 3.1 (Reimbursement), and 5.1.5 (Tail Coverage), and Article IV (Billing and Reimbursement), including any subparts thereof, of this Contract shall continue following termination or expiration of this Contract.

- 1.17.2 The CONTRACTOR shall submit all remaining claims and registrations of putative Members within ninety (90) days of the date of Contract termination or expiration.
- 1.17.3 Following termination or expiration of this Contract, VAYA may perform a post-payment review of billing, documentation and other fiscal records, and any adjustments for amounts due or owed to either Party shall be added or deducted from any final reimbursement. VAYA may hold payment of pending claims until completion of a post payment review. Both Parties shall settle their debts and claims within sixty (60) days of the completion of any such post-payment review and/or receipt of all final billing and required documentation.
- 1.17.4 All payments provided hereunder shall be adjusted so as not to exceed the amount due for services actually rendered prior to the date of termination or expiration. If advance payments have been made for services not provided as of the date of Contract termination or expiration, the CONTRACTOR shall promptly refund all excess funds paid within the above-referenced sixty (60) days.
- 1.17.5 No such termination or expiration shall relieve CONTRACTOR, or any of its successors, assigns, owners, officers, directors, members, managers, partners, representatives, affiliates, employees, agents, subcontractors of any tier, and/or similarly situated individuals, from any liability or damages resulting from a material breach of any of its representations, warranties, covenants, conditions, or agreements set forth in this Contract.

1.18 Non-Exclusive Arrangement: VAYA has the right to enter into a contract with any other provider of MH/IDD/SU services. CONTRACTOR shall have the right to enter into other contracts with any other LME/MCO or third party payor to furnish MH/IDD/SU services. VAYA may refer Members to CONTRACTOR for services based on medical necessity and the Member's individual choice. VAYA reserves the right to refer Members to other Network Providers, and no referrals or authorizations are guaranteed to take place under this Contract. VAYA further reserves the right, in its discretion, to develop and market provider networks in which CONTRACTOR may not be selected to participate, or to lease the Closed Network to a third party, including, but not limited to, an accountable care organization, a health insurance organization, a health management organization or other managed care organization, in any form.

1.19 Assignment: CONTRACTOR shall not assign, delegate, or transfer this Contract or any interest hereunder without prior written notice to and the prior written consent of VAYA. Any attempt by CONTRACTOR to assign, delegate, or transfer this Contract or its interest hereunder without complying with the terms of this Section 1.19 shall be void and of no effect, and VAYA, at its option, may elect to terminate this Contract, in accordance with the terms of Section 1.16.4, without advance notice. VAYA may assign, delegate, or transfer this Contract or any interest hereunder in whole or in part to any successor to the assets or operations of VAYA, or to any affiliate of VAYA, provided that the assignee/delegate/transferee agrees to assume VAYA's obligations under this Contract.

1.20 Subcontracting and/or Delegation: When a subcontractor of CONTRACTOR meets the definition of a delegated or partially delegated entity, as defined by the Waiver Contract or VAYA's accrediting body, CONTRACTOR must obtain written permission from VAYA prior to subcontracting any of the services to be provided by CONTRACTOR under this Contract to such subcontractor. All services subcontracted or delegated shall continue to be subject to the terms of this Contract. CONTRACTOR must ensure that any subcontractors or delegates performing any obligations of this Contract meet all requirements of this Contract in their performance of such obligations.

1.21 No Third Party Beneficiaries: Nothing in this Contract shall be construed as creating or justifying any allegation, demand, claim, action, cause of action, argument, judgments, defense, liability, obligation, damages, losses, costs, attorneys' fees (reasonable or actual), loss of service, expenses, compensations, or nominal, compensatory, consequential, punitive, or treble damages of whatsoever kind or nature, whether known or unknown and whether contingent or liquidated, whether at law or in equity, however alleged or arising, by any third party against VAYA, CONTRACTOR, or the Department. Furthermore, nothing in this Contract shall be construed as creating or justifying any allegation, demand, claim, action, cause of action, argument, judgments, defense, liability, obligation, damages, losses, costs, attorneys' fees (reasonable or actual), loss of service, expenses, compensations, or nominal, compensatory, consequential, punitive, or treble damages of whatsoever kind or nature, whether known or unknown and whether contingent or liquidated, whether at law or in equity, however alleged or arising, by CONTRACTOR against the Department.

1.22 Confidentiality of Protected Health Information and Sensitive Information: The Parties shall protect and maintain the confidentiality of any and all Members, including Member PHI, sensitive information, and/or other information protected by law from disclosure, and will not discuss, transmit, or narrate in any form any Member's information of a personal nature, medical or otherwise, received in the course of providing services or overseeing the provision of services hereunder, as authorized in writing by the Member or legally responsible person or as otherwise permitted or required under applicable state and federal law(s), including but not limited to: (i) HIPAA, (ii) the HIPAA Administrative Simplification Rules codified at 45 CFR Parts 160, 162, and 164, 42 CFR Part 2, (iii) Confidentiality of Substance Use Disorder Patient Records laws and regulations codified at 42 U.S.C. 290dd-2 and 42 CFR Part 2, (iv) the N.C. Identity Theft Protection Act at N.C.G.S. §§75-61 *et seq.*, and (v) N.C. confidentiality statutes at N.C.G.S. §§122C-52 through 122C-56. This confidentiality requirement applies to any medium of communication, including, but not limited to, social media. The Parties understand, acknowledge, and agree that VAYA is a health plan and CONTRACTOR is a health care provider and as such, the Parties are considered "Covered Entities" pursuant to HIPAA and may share PHI related to Member(s) for the purposes of treatment, payment, or health care operations without the Member's consent. The Parties agree that such information shall be used solely to carry out the terms, conditions, and obligations of this Contract and shall be kept confidential and securely protected in accordance with all applicable state and federal law(s), including, but not limited to, HIPAA and 42 CFR Part 2. This Section 1.22 and all of its subparts shall survive suspension, expiration, or termination of this Contract.

- 1.22.1 Privacy and Security Officer:** CONTRACTOR shall designate a HIPAA Privacy Officer and Security Officer as required by HIPAA. CONTRACTOR shall identify such individual(s) with their contact information on the Cover Sheet and Contact Maintenance Log attached to this Contract and shall communicate any changes to such information to VAYA at providerinfo@vayahealth.com. CONTRACTOR's Security Officer shall be responsible to validate those members of its staff who shall access to VAYA's computer system.
- 1.22.2 HIPAA Retention Period:** CONTRACTOR shall maintain and retain for at least six (6) years following termination or expiration of this Contract such records as may be needed for an accounting of disclosures of PHI as required under HIPAA and for VAYA's evaluation of CONTRACTOR's compliance with this Contract.
- 1.22.3 Population Health Activities:** If either Party's population health management activities require the disclosure of substance use information, each Party acknowledges that, in receiving, storing, processing, or otherwise dealing with patient records from a Part 2 program, it is fully bound by 42 C.F.R. Part 2, that applicable disclosures will include the notice required in 42 C.F.R. § 2.32, and that, if necessary, said Party will resist in judicial proceedings any efforts to obtain access to patient-identifying information related to substance use disorder diagnosis, treatment, or referral for treatment except as permitted by 42 C.F.R. Part 2.
- 1.22.4 Substance Use Consent:** If CONTRACTOR provides substance use disorder services to a Member or provides any services to Members diagnosed with a substance use disorder, then CONTRACTOR shall obtain and maintain valid, signed patient consent forms allowing disclosure of such Members' PHI and substance use information to VAYA and the Department.
- 1.23 Confidentiality of Non-Public Information; Nondisclosure:** This Section 1.23 and all of its subparts shall survive suspension, expiration, or termination of this Contract.
- 1.23.1 Confidential Information Belonging to VAYA:** CONTRACTOR understands, acknowledges, and agrees that it may have access to information belonging to VAYA which is a trade secret as that term is defined in N.C.G.S. § 66-152(3), or which is confidential, proprietary, or non-public (collectively "Non-Public Information"), including, but not limited to, VAYA's finances, business operations and competitive health care information as described at N.C.G.S. § 122C-126.1. CONTRACTOR further understands, acknowledges, and agrees that the terms of this Contract between CONTRACTOR and VAYA are considered competitive health care information pursuant to N.C.G.S. § 122C-126.1, are confidential and are not a public record under Chapter 132 of the General Statutes. CONTRACTOR shall not disclose, share, or otherwise disseminate copies of this Contract or any of its terms and conditions to any person, firm, or entity not a party to this Contract, other than to legal counsel retained by CONTRACTOR or to the Department, or any of its Divisions. CONTRACTOR agrees to keep all Non-Public Information confidential, in whatever form it may exist, which CONTRACTOR assimilates or to which it has access during the Term of this Contract. During and after the Term of this Contract, CONTRACTOR agrees that, except to the extent necessary to permit CONTRACTOR to perform its obligations under this Contract,

CONTRACTOR shall not use such Non-Public Information, or disclose, divulge, reveal, report, publish, and/or transfer such Non-Public Information to any person, firm, or entity not a party to this Contract, without the prior written consent of VAYA. CONTRACTOR shall take all reasonable precautions to ensure the confidentiality of all Non-Public Information, including, but not limited to, entering into appropriate agreements, and affixing notices that re-disclosure is prohibited, wherever applicable. CONTRACTOR agrees to promptly advise VAYA in writing of any unauthorized use or disclosure of Non-Public Information of which CONTRACTOR becomes aware, and CONTRACTOR shall provide reasonable assistance to VAYA to terminate such unauthorized use or disclosure. If disclosure of Non-Public Information is compelled by law or by a valid court or governmental order, CONTRACTOR shall immediately notify VAYA in writing, prior to disclosure, in sufficient time to permit VAYA to contest the disclosure, to seek a protective order, or to waive its objection to disclosure. If disclosure is authorized in such instance, then CONTRACTOR shall disclose only that portion of the Non-Public Information that its legal counsel advises is legally required, and CONTRACTOR shall notify VAYA in writing of the specific contents of the disclosure. CONTRACTOR agrees that the Non-Public Information shall remain the exclusive property of VAYA, and that no license under any trade secret law or copyright law or other law is granted by this Contract. Upon expiration or termination of this Contract, or within five (5) business days after written request by VAYA, CONTRACTOR shall return to VAYA all Non-Public Information, in whatever form, including all copies thereof and any documents containing or referencing the Non-Public Information, whether in the possession, custody, or control of CONTRACTOR or another person, firm, or entity. VAYA in its sole discretion may authorize CONTRACTOR to destroy the Non-Public Information and all copies thereof, provided that such authorization is in writing and CONTRACTOR confirms such destruction in writing to VAYA within five (5) business days of such destruction.

- 1.23.2 Confidential Information Belonging to CONTRACTOR: If CONTRACTOR discloses confidential information, as that term is defined in N.C.G.S. § 132-1.2, to VAYA in connection with CONTRACTOR's performance of this Contract, VAYA will protect the information from public disclosure to the extent permitted by N.C.G.S. § 132-1.2, if the CONTRACTOR takes one or more of the following steps before disclosing the confidential information to VAYA. If the CONTRACTOR determines that all of the information on any given document constitutes trade secret information, as the that term is defined in N.C.G.S. § 66-152(3), CONTRACTOR may designate the entire page as confidential by marking the top or bottom of the page with the word "CONFIDENTIAL" in upper-case bold-face type. If CONTRACTOR determines that any given page of a document contains a mixture of trade secrets and non-confidential information, CONTRACTOR may highlight the trade secrets and indicate in the margins that the highlighted text constitutes a confidential trade secret. By so marking any page, CONTRACTOR warrants that it has formed a good faith opinion, upon advice of counsel or other knowledgeable advisors, that the items marked confidential meet the requirements of N.C.G.S. § 66-152(3) and § 132-1.2(1). The Parties understand, acknowledge, and agree that information provided by CONTRACTOR in response to "program integrity and other monitoring activities" shall be considered confidential irrespective of any such page being marked with the word "CONFIDENTIAL". However, the Parties acknowledge that 1 NCAC 5B .1505 and 9 NCAC 6B .1001 specify that price information may not be designated as confidential. VAYA may serve as the custodian of the CONTRACTOR's trade secrets but not as an arbiter of claims against the CONTRACTOR's assertion of confidentiality. If an action is brought pursuant to N.C.G.S. § 132-9 to compel VAYA to disclose information marked confidential, CONTRACTOR agrees that it will intervene in the action through counsel and participate in defending VAYA, and the Department and its officials and employees against the action. CONTRACTOR agrees that it shall hold the State and its employees, officials, and agents and VAYA and its officials and employees harmless from any and all damages, costs, and attorneys' fees awarded against VAYA or the State in the action. VAYA agrees to give CONTRACTOR prompt written notice of any action seeking to compel the disclosure of CONTRACTOR's trade secrets. VAYA and the State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. VAYA and the State shall have no liability to CONTRACTOR with respect to the disclosure of CONTRACTOR's trade secrets pursuant to an order issued by a court of competent jurisdiction pursuant to N.C.G.S. § 132-9 or any other applicable law.

- 1.24 Intellectual Property: CONTRACTOR understands, acknowledges, and agrees that all language in all documents, and the documents themselves, that are authored, produced, developed, and/or prepared by VAYA and which are used and provided in connection with bids or negotiations for, executions of and performance under this Contract are the property of VAYA, along with all ideas and concepts represented by and manifested in the business practices or operations of VAYA. VAYA reserves all rights in said intellectual property. CONTRACTOR must obtain written permission of VAYA

prior to using any of VAYA's intellectual property for purposes outside the performance of this Contract. This Section 1.24 shall survive suspension, expiration, or termination of this Contract.

1.25 Publicity. The Parties shall not publish or disseminate any advertising or proprietary business material or information, whether in printed or electronic form (including photographs, films, and public announcements), or any business papers or documents which identify the other Party or its facilities without the prior written consent of the other Party, except that CONTRACTOR consents to the inclusion of any of the following information in any and all marketing and administrative materials published or distributed in any medium by VAYA: name, address, telephone number, office hours, type of practice or specialty, hospital affiliation, website, languages spoken, available practitioners (including any board certification, education, or training history) and services. This Section 1.25 shall survive suspension, expiration, or termination of this Contract.

1.26 Indemnification and Hold Harmless: In accordance with 10A NCAC 27A .0106(b)(8), CONTRACTOR, and its successors, assigns, owners, members, partners, managers, officers, directors, employees, representatives, agents, and/or subcontractors of any tier, in their representative (and not individual) capacities, (collectively the "CONTRACTOR Indemnitors"), shall fully protect, release, defend, indemnify, and hold harmless, (collectively "Indemnification" or "Indemnify"), VAYA, and its officers, directors, employees, representatives, agents, assigns, successors, servants, suppliers, materialmen, and subcontractors of any tier, and any insurers, excess insurers, and underwriters of any of the foregoing, (collectively "VAYA Indemnitees") from and against any and all claims, demands, allegations, suits, losses, liabilities, expenses, costs (including reasonable or actual attorney's fees), judgments, settlements, obligations, damages (whether nominal, compensatory, consequential, punitive, treble, or exemplary), and causes of action of every kind and nature, whether known or unknown, whether contingent or liquidated, whether at law or in equity, whether or not involving a third party, whether related to or on account of bodily/mental injury or infliction, death, property (real, personal, and/or intellectual) damage or loss, or any other injury, damage or loss, incurred or sustained by or made against any or all members of the VAYA Indemnitees, and whether arising from tort, contract, or otherwise, without limit, directly or indirectly arising out of, relating to, and/or resulting from: (1) any breach, material or non-material, of any representation or warranty, by any or all CONTRACTOR Indemnitors, contained in this Contract, (2) any breach, material or non-material, of any covenant, obligation, agreement, or duty under this Contract and/or under applicable laws, rules, and/or regulations, by any or all CONTRACTOR Indemnitors, and/or (3) the wrongful, intentional, grossly negligent, and/or ordinary negligent acts, errors, and/or omissions, by any or all CONTRACTOR Indemnitors in rendering services or performing their obligations, covenants, agreements, and/or duties pursuant to or in furtherance of this Contract, in each case whether or not caused by the negligence of any or all VAYA Indemnitees, (collectively "CONTRACTOR Claim"), and whether or not the relevant CONTRACTOR Claim has merit. Contractor Indemnitors expressly waive any defense of prematurity to a claim for Indemnification by any VAYA Indemnitee; and any VAYA Indemnitee shall have the right to a claim for Indemnification pursuant to this Section 1.26 prior to any loss being sustained by it.

VAYA, and its officers, directors, managing employees, representatives and agents, in their representative (and not individual) capacities, (collectively "VAYA Indemnitors") shall Indemnify CONTRACTOR, and its employees, affiliates, subcontractors or agents, (the "Contractor Indemnitees") from and against any and all of the following alleged or asserted by a third party: claims, demands, losses, liabilities, expenses, costs (including reasonable or actual attorney's fees), judgments, obligations, damages (whether nominal, compensatory, punitive, or treble), and causes of action of every kind and character, whether arising from tort, contract, or otherwise, whatsoever related to or on account of bodily injury, death, property damage or loss or any other damage or loss, incurred or sustained by or made against any or all members of the Contractor Indemnitees, without limit, directly or indirectly arising out of the negligent acts, errors, or omissions by or on behalf of any or all VAYA Indemnitors in performing their obligations pursuant to or in furtherance of this Contract.

Further, neither Party to this Contract shall be responsible for any obligation or liability assumed by the other Party or its employees, affiliates, subcontractors, or agents, unless expressly set forth in this Contract. Nothing contained in this Section 1.26 shall prevent either Party from filing and pursuing an action for damages against the other Party based on an alleged failure to satisfactorily render services or to perform obligations pursuant to this Contract. This Section 1.26 shall survive suspension, expiration, or termination of this Contract.

1.27 LIMITATION OF LIABILITY: NOTWITHSTANDING ANYTHING ELSE IN THIS CONTRACT OR OTHERWISE, NEITHER VAYA NOR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SERVANTS, SUPPLIERS, MATERIALMEN, AND SUBCONTRACTORS OF ANY TIER, AND ANY INSURERS, EXCESS INSURERS, AND UNDERWRITERS OF ANY OF THE FOREGOING, ("VAYA PARTY"), WILL BE LIABLE TO CONTRACTOR AND/OR ANY OF ITS SUCCESSORS, ASSIGNS, OWNERS, HEIRS, MEMBERS, PARTNERS, MANAGERS, OFFICERS, DIRECTORS, REPRESENTATIVES, AND/OR AGENTS ("CONTRACTOR PARTY"), UNDER ANY CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY, FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR EXEMPLARY DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS INTERRUPTION, AND LOSS OR INACCURACY OF INFORMATION, EVEN IF VAYA PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, AND NOT WITHSTANDING ANY OTHER PROVISION OF THIS CONTRACT TO THE CONTRARY, THE TOTAL LIABILITY, IN THE AGGREGATE, OF ANY VAYA PARTY TO ANY CONTRACTOR PARTY AND ANYONE CLAIMING BY OR THROUGH ANY CONTRACTOR PARTY FOR ANY AND ALL CLAIMS, LOSSES, COSTS (INCLUDING ATTORNEYS' FEES) OR DAMAGES, AND CLAIMS EXPENSES, RESULTING FROM OR IN ANY WAY RELATED TO THIS CONTRACT, SHALL NOT EXCEED THE TOTAL REIMBURSEMENT FOR CLEAN CLAIMS RECEIVED BY THE CONTRACTOR DURING THE TERM OF THIS CONTRACT AS OF THE DATE OF THE ALLEGED OFFENSE. IT IS INTENDED THAT THIS LIMITATION APPLY TO ANY AND ALL LIABILITY OR CAUSE(S) OF ACTION, HOWEVER ALLEGED OR ARISING, UNLESS OTHERWISE PROHIBITED BY LAW. IN NO EVENT WILL THE VAYA PARTY BE LIABLE TO THE CONTRACTOR PARTY FOR ANY MATTER BEYOND VAYA'S REASONABLE CONTROL. THIS SECTION 1.27 SHALL SURVIVE SUSPENSION, EXPIRATION OR TERMINATION OF THIS CONTRACT.

1.28 Governmental Immunity: Notwithstanding any provision in this Contract to the contrary, nothing contained in this Contract shall be deemed to constitute a waiver of the sovereign or governmental immunity of VAYA as a local political subdivision of the State of North Carolina, which immunity is hereby expressly and fully reserved to VAYA. This Section 1.28 shall survive suspension, expiration, or termination of this Contract.

1.29 Right of Setoff. VAYA shall have the right to setoff from any compensation or reimbursement due to CONTRACTOR any amounts that may be due to VAYA from CONTRACTOR under this Contract or otherwise.

1.30 Binding Effect. The rights and obligations of each Party under this Contract shall inure to the benefit of and shall be binding upon the heirs, successors, legal representatives, and assigns of such Party.

1.31 Incorporation of Recitals. The recitals set forth above are an integral part of this Contract and shall have the same contractual significance as any other language herein.

1.32 E-Verify. CONTRACTOR shall comply with the requirements of Article 2 of Chapter 64 of the State of North Carolina General Statutes. Further if CONTRACTOR utilizes a subcontractor(s) of any tier, CONTRACTOR shall require its subcontractor(s) of any tier to comply with the requirements of Article 2 of Chapter 64 of the State of North Carolina General Statutes.

ARTICLE II: OBLIGATIONS OF THE CONTRACTOR

2.1 Credentialing: CONTRACTOR shall continuously comply with all credentialing and re-credentialing requirements mandated by Controlling Authority and/or any VAYA accrediting body. CONTRACTOR shall undergo re-credentialing at minimum once every three (3) years from the effective date of initial credentialing by VAYA. CONTRACTOR shall continuously maintain all licenses, certifications, accreditations, and registrations required for its facilities, employees, and subcontractors providing services under this Contract. CONTRACTOR understands, acknowledges, and agrees that failure to maintain required licenses, certifications, accreditations or registrations, as applicable, may result in any action up to and including immediate suspension or termination of this Contract, including automatic suspension and/or revocation of CONTRACTOR and/or any of its Owners and Managing Employees, in accordance with Section 1.16.4.

- 2.1.1 Practitioners: CONTRACTOR may submit claims for services provided to Member(s) by CONTRACTOR's Licensed Practitioners ("LPs") and Licensed Practitioner Associates ("LPAs") upon approval by VAYA of the practitioner's credentials retroactive to the date of receipt of a complete and accurate application. Claims submitted for CONTRACTOR's LPs and/or LPAs who are not credentialed by VAYA will not be paid. All attending psychiatrists of Psychiatric Residential Treatment Facilities ("PRTFs") must be credentialed prior to the PRTF services being provided. Individuals providing Applied Behavioral Analysis ("ABA") Therapy services under this Contract, must be credentialed as a Board Certified Behavioral Analysts ("BCBA") prior to providing such services. Claims submitted for CONTRACTOR's LPs and/or LPAs, including attending psychiatrists and BCBA's, who are not credentialed as outlined in this Section 2.1.1 will not be paid.
- 2.1.2 Disclosures: CONTRACTOR shall make any and all disclosures required by this Section 2.1 and as set forth in the VAYA Provider Manual and shall provide VAYA with all documentation necessary to verify credentials of CONTRACTOR, and/or any of its Owners and Managing Employees. CONTRACTOR agrees to disclose the required information, at the time of application, and/or upon request, in accordance with the Waiver Contract and 42 CFR § 455 Subpart B, related to ownership and control, business transactions, and criminal conviction for offenses against Medicare, Medicaid, CHIP, and/or other federal health care programs. See 42 CFR § 455, Parts 101 through 106 for definitions, percentage calculations, and requirements for disclosure of ownership, business transactions, and information on persons convicted of crimes related to any federal health care programs. CONTRACTOR agrees to notify, in writing, VAYA and the Department of any criminal convictions within twenty (20) days of the date of the conviction. CONTRACTOR must disclose a list of all parent, sister, and subsidiary entities, and any affiliation therewith, by contract or otherwise, with any other provider agency or independent contractor to perform any of the duties, responsibilities, or obligations of this Contract. CONTRACTOR, and its Owners and Managing Employees, shall disclose (i) all fictitious names under which it is doing business, including all "AKAs" and "DBAs;" (ii) any sanctions or adverse actions by regulatory or licensure bodies, including loss of licensure; (iii) any sanctions or adverse actions under the Medicaid, NC Health Choice, or Medicare programs, including overpayments; (iv) any previous criminal convictions or pending criminal charges; (v) any liability or other history, including lawsuits, insurance claims, settlements, or payouts; and (vi) the names of hospitals where CONTRACTOR's employed or subcontracting physicians currently have admitting privileges. Disclosures must include all information for the five (5) years prior to such disclosure and disclosures regarding previous entities with which such Owners or Managing employees were affiliated in any manner whatsoever.
- 2.1.3 Business Transactions. In accordance with 42 CFR § 455.105, CONTRACTOR shall submit, within thirty-five (35) calendar days of the date of a request by VAYA, the Department, or the Secretary of the Department of Health and Human Services, full and complete information about (i) the ownership of any subcontractor with whom the CONTRACTOR has had business transactions totaling more than \$25,000 during the 12-month period ending on the date of the request; and (ii) any significant business transactions between the CONTRACTOR and any wholly owned supplier, or between the CONTRACTOR and any subcontractor, during the 5-year period ending on the date of the request. The business transactions that must be reported are not limited to transactions related to serving Medicaid Members; all of these business transactions must be reported.
- 2.1.4 Certification Regarding Exclusion. By executing this Contract, CONTRACTOR understands, acknowledges, agrees, and certifies that all information provided as part of the credentialing or re-credentialing process is true and correct, that any false or misleading information may be cause for denial, revocation, or termination of provider participation in the Closed Network, and that neither CONTRACTOR, nor any of its staff, employees, contractors, or agents, is excluded from participation in a federal health care program, Medicare, Medicaid, and/or N.C. Health Choice, or is excluded, suspended or debarred by any applicable governmental authority from conducting any business or activities contemplated by this Contract, whether under its current name or any additional name or former name, including the current or former name of a division, department, program or subsidiary of CONTRACTOR, or its Owners and Managing Employees, other employees, contractors, or agents. CONTRACTOR further understands, acknowledges, and agrees that a failure to notify VAYA of any change in circumstance following this certification as set forth in Section 2.2 of this Contract may result in immediate termination of this Contract.
- 2.1.5 Credentialing Process. The Parties understand, acknowledge, and agree that screening, as that term is defined in the Waiver Contract, is a required element of the process for CONTRACTOR to be enrolled in the NC Medicaid program, and that "credentialing," as that term is defined in the Waiver Contract, is a process to qualify CONTRACTOR to potentially be contracted with VAYA and deliver MH/IDD/SU services to Members.

2.2. Notice of Change. CONTRACTOR agrees to notify VAYA of any changes to information provided in the credentialing or re-credentialing process as follows:

- 2.2.1 CONTRACTOR must submit a written request using the VAYA-approved change request form via email at CredentialingTeam@vayahealth.com in advance of any proposed change to add or remove a practitioner to the CONTRACTOR's roster, to change the name of CONTRACTOR or to change CONTRACTOR'S ownership or control, including, but not limited to, an acquisition or sale of any kind, an asset or stock purchase or sale, merger, or consolidation, or adding or removing persons with an ownership or control interest. Requests shall be reviewed and considered in accordance with VAYA credentialing criteria and the VAYA Provider Manual.
- 2.2.2 CONTRACTOR must notify VAYA using the VAYA-approved change request form via email at CredentialingTeam@vayahealth.com within three (3) business days of the following:
- a. Notification of exclusion of CONTRACTOR or any of its Owners and Managing Employees, other employees, agents, or contractors by the U.S. Department of Health and Human Services Office of Inspector General ("OIG"), CMS, DHHS, Medicaid program, Medicare program, or N.C Health Choice program and of CONTRACTOR's plan for compliance with the program;
 - b. The date the CONTRACTOR is notified of a pending investigation for Medicaid fraud or the filing or disposition of a lawsuit or claim based on malpractice, wrongful death, or other claim relating to the provision of MH/IDD/SU services.
 - c. Notification of any sanction from the Department or its Divisions, other LME/MCOs or any other healthcare payor, in which case CONTRACTOR shall forward a copy of such notice to VAYA.
 - d. The date of any change affecting accreditation or facility or staff licensure, registration, or credentials, including, but not limited to, any sanction imposed by any applicable licensing board, certification, or registration agency, or by any accrediting body or other managed care organization.
 - e. Any change to tax identification number, National Provider Identifier (NPI), agency or company name, fictitious name, business entity type, "fiscal agents," "managing employees" or "persons with an ownership or controlling interest" as those terms are defined in 42 CFR § 455.101.
 - f. Any change to the notification address identified herein, mailing or billing address, primary contact information including name, phone, and email.
 - g. Any change to required insurance coverage.
 - h. Any change in office hours or after-hours coverage.
 - i. Any change in CONTRACTOR's ability to accept referrals.

2.3 Effect of Change of Ownership: In the event CONTRACTOR's ownership, separate existence, or entity construction (e.g., sole proprietorship, corporation, general partnership, limited partnership, limited liability company) is altered or affected in any way as a result of a merger, consolidation, acquisition, or sale of all or substantially all assets, including, but not limited to, an asset or stock purchase or sale or through any other means whatsoever, CONTRACTOR must notify VAYA as outlined in Section 2.2 of this Contract and this Contract shall continue to control with respect to CONTRACTOR's provision of MH/IDD/SU services to Members unless VAYA agrees otherwise in writing, notwithstanding any contrary outcome which may otherwise be allowed or required by law. In the event that CONTRACTOR acquires an ownership interest in another Network Provider, then the existing separate contract between VAYA and such other Network Provider shall control for its duration unless VAYA agrees otherwise in writing.

2.4 Hours of Operation and After Hours Coverage: CONTRACTOR shall offer the same hours of operation to all individuals served by CONTRACTOR, regardless of the individual's insurance coverage, i.e. the hours of operation offered to Members must be no fewer than the hours of operation offered to non-Members, and *vice versa*. CONTRACTOR shall arrange for after-hours coverage, on a 24 hours per day, 7 days a week, 365 days per year basis, either via live coverage, an answering service or association with another qualified provider. If CONTRACTOR or associated provider/ practitioner is not available, CONTRACTOR's after-hours message must include instructions for Members to contact the VAYA toll-free crisis and referral hotline, for example, "If your call is not returned by CONTRACTOR [or CONTRACTOR's designated after-hours service] within 30 minutes, please contact the VAYA toll-free crisis and referral hotline at 1-800-849-6127. CONTRACTOR shall not use the VAYA 24/7/365 Call Center as its sole mechanism for after-hours coverage."

2.5 Referrals and Service Delivery: Subject at all times to the terms of this Contract, CONTRACTOR agrees to accept referrals from VAYA as outlined in Attachment A and provide MH/IDD/SU services to Members within the scope of its capacity and in accordance with Controlling Authority, applicable VAYA benefit plan(s) and CONTRACTOR's licenses, certifications, credentialing privileges, prevailing practices, and standards of the profession. Failure to accept referrals or to provide services in accordance with this Section 2.5 shall be considered a material breach of this Contract and VAYA may terminate in accordance with Section 1.16.4.

2.5.1 Equitable Treatment of Members/ Non-Discrimination: CONTRACTOR agrees to render services to Members with the same degree of care and skills as customarily provided to CONTRACTOR's patients who are not Members, according to generally accepted standards of medical practice. CONTRACTOR shall make services available to Members without discrimination, and agrees not to discriminate against Members, on the basis of type of benefit plan, source of payment, sex, age, race, color, creed, ancestry, religious affiliation, disability, national origin, gender identity, sexual orientation, pregnancy status, genetic information, health status, marital status, or parental status.

2.5.2 Referrals: CONTRACTOR shall not arbitrarily decline, refuse to serve, reject, or discharge Members from the covered services under this Contract. In the event that CONTRACTOR declines a referral, refuses to serve, or rejects or discharges a specific Member, CONTRACTOR shall provide to VAYA notice and a written, detailed reason for the declination, refusal, rejection, or discharge via email to Provider.Info@vayahealth.com within one (1) business day of such action. CONTRACTOR's refusal to accept a referral based upon a Member's source of reimbursement may constitute adverse selection. VAYA may consider referral data and information regarding adverse selection in its evaluation of CONTRACTOR for renewal of this Contract.

2.5.3 Start Date: CONTRACTOR shall begin serving Members within ninety (90) days from the date of execution of this Contract. If CONTRACTOR has not delivered services to Members within ninety (90) days from the date of execution of this Contract, VAYA may terminate this Contract in accordance with Section 1.16.4.

2.5.4 Clinical Practice Guidelines: Following consultation with VAYA's Clinical Advisory Committee, VAYA adopts clinical practice guidelines. All of CONTRACTOR's decisions covered by the clinical practice guidelines adopted by VAYA shall be consistent with such applicable clinical practice guidelines. Clinical practice guidelines are not a substitute for clinical professional judgment and are intended to assist CONTRACTOR and Members in making decisions about appropriate healthcare services for specific clinical circumstances.

2.8 Human Rights: CONTRACTOR shall ensure compliance with applicable federal and state laws, rules, and regulations governing human rights and/or client rights, including, but not limited to, N.C.G.S. Chapter 122C, Article 3, Part 1 and the DMH/DD/SAS Client Rights Rules in Community Mental Health, Developmental Disabilities & Substance Abuse Services, APSM 95-2, dated July 2003 or as thereafter amended. If required by N.C.G.S. § 122C-64, CONTRACTOR shall establish, maintain, and support a Human Rights Committee.

2.8.1 Abuse, Neglect and Exploitation: CONTRACTOR shall ensure that Members are not abused, neglected, or exploited while in its care and shall maintain policies and procedures and conduct activities and monitoring in a manner that is designed to deter, prevent, and avoid abuse, neglect, and/or exploitation of Members in its care. CONTRACTOR shall promptly report all allegations of abuse, neglect, and/or exploitation to the applicable county Department of Social Services ("DSS") as required by Controlling Authority.

2.8.2 Event Reporting: CONTRACTOR shall report all Level II and Level III incidents in the DMH/DD/SAS Incident Response Improvement System (IRIS) as required by Controlling Authority. CONTRACTOR shall also promptly report to VAYA in writing all suspected sentinel events and other suspected instances involving abuse, neglect, or exploitation of Members. VAYA may conduct its own investigation of any events or incidents. CONTRACTOR shall cooperate fully with all such investigations. If an investigation is performed, VAYA will provide CONTRACTOR with a written summary of its findings no later than fifteen (15) business days following the completion of such investigation. VAYA may require a plan of correction or may impose an administrative action or sanction, up to and including termination of this Contract and/or termination, exclusion or revocation of CONTRACTOR, and/or its Owners and/or Managing Employees, in accordance with Section 1.16.4, if the investigation cites CONTRACTOR as being out of compliance with this Contract or with Controlling Authority.

2.8.3 Restrictive Intervention: CONTRACTOR shall not use restrictive interventions except as specifically permitted by the individual Member's treatment/habilitation plan or on an emergency basis. When a restrictive intervention is used, CONTRACTOR shall follow all applicable Controlling Authority governing seclusion and restraint for

behavior management, including, but not limited to, 42 CFR § 482.12, 42 CFR § 483.350, *et seq.*, N.C.G.S. § 122C-60, 10A NCAC 13B.1924, 10A NCAC 27E, and the VAYA Provider Manual.

2.9 Allegations or Charges Against Employees: CONTRACTOR will notify VAYA of any allegations of abuse, neglect or exploitation involving a Member that is made toward CONTRACTOR or any of its owners, officers, directors, managers, partners, employees, agents, representatives, or subcontractors within one (1) business day of such allegation, and shall immediately put into place protective measures to ensure that the accused person has no access to Members until the allegation is determined to be unsubstantiated. CONTRACTOR will notify VAYA within three (3) business days after receiving notice of any conviction of an owner, officer, director, or employee of CONTRACTOR of any crime, including, but not limited to, any conviction under a federal or state criminal drug statute that would result in non-compliance with the Drug Free Workplace Act of 1988.

2.10 Utilization Management: CONTRACTOR understands, acknowledges, and agrees that VAYA only pays for medically necessary services within available funding, that authorization is not a guarantee of payment, that authorizations may be overturned as a result of program integrity or other monitoring activities. CONTRACTOR shall comply with all VAYA utilization management requirements, including any requirements for prior authorization, care management, concurrent review, retrospective authorization, or retrospective utilization review of services provided to Members.

2.10.6 Communication with Members: Notwithstanding anything to the contrary in this Contract, CONTRACTOR may freely discuss matters relevant to a Member's health care and freely communicate with, provide information to, or advocate for, Members regarding any or all service, supply or treatment options regardless of VAYA Health Plan coverage limitations.

2.11 VAYA Health Plans: Changes to any VAYA Health Plan(s) shall be posted on the VAYA website at least thirty (30) days in advance of any such change, unless a shorter time period is required due to a change in funding or other change imposed by any oversight authority, including CMS or the Department. From time to time during the Term of this Contract, VAYA may develop new benefit plan(s). In such instance, CONTRACTOR shall be provided with thirty (30) days' written notice via a Provider Communication sent electronically prior to implementation of the new benefit plan(s). If CONTRACTOR does not object in writing to the implementation within such thirty (30) day notice period, CONTRACTOR shall be deemed to have accepted participation in the new benefit plan(s). In the event CONTRACTOR objects to any such new benefit plan, the Parties shall confer in good faith to reach agreement on terms of participation. If such agreement cannot be reached, such new benefit plan shall not apply to this Contract.

2.12 Care Coordination and Discharge Planning: CONTRACTOR shall cooperate fully with all care coordination, discharge planning and integrated care activities of VAYA, including, but not limited to, coordination with Members' primary care provider(s) and VAYA-contracted providers facilitating engagement with community-based services, coordination with respect to the discharge of Members, coordination with respect to commitment orders issued in accordance with N.C.G.S. Chapter 122C, Article 5, and participation in interdisciplinary team meetings facilitated by VAYA that involve Member(s) served under this Contract.

2.12.1 Access to Member(s): CONTRACTOR shall allow VAYA care coordination staff and VAYA-contracted providers to attend any treatment team and discharge planning meetings regarding Member(s) served under this Contract, with advance notice and consistent with VAYA's responsibility to provide care coordination to Member(s) with special healthcare needs. CONTRACTOR shall allow VAYA staff and VAYA-contracted providers direct access to any Member for care coordination purposes, if requested by Member and the Member's treating physician, or if the therapist agrees or determines that it is clinically appropriate, and VAYA has available staff and funding to fulfill such request.

2.12.2 Treatment Planning and Discharge Meetings: CONTRACTOR shall regularly schedule treatment and discharge planning meetings for Member(s) to ensure that appropriate services have been arranged following discharge and to link Members with other providers or community assistance, shall coordinate with VAYA-contracted providers facilitating engagement with community-based services, and shall provide at least 24 hours prior notice to VAYA of the date, time, and place of any treatment team or discharge planning meeting regarding a Member. CONTRACTOR shall designate qualified staff to participate in interdisciplinary team meetings facilitated by VAYA that involve Member(s) served under this Contract. CONTRACTOR shall provide information pertinent

to the development of a person-centered plan of care, or shall directly participate in the planning process. Contractor shall be responsible for the development of treatment and/or supports strategies to address assigned areas of responsibility from the person-centered plan of care.

- 2.13 Continuity of Care and Service Coordination: CONTRACTOR shall ensure all Members served under this Contract receive continuity of care. In an effort to improve the coordination of supports and services within VAYA's network of providers, CONTRACTOR shall coordinate supports and services with other provider participants, and with other primary care providers for all Members served under this Contract. At no cost or expense to VAYA and/or the Member, CONTRACTOR shall coordinate interpretation services as necessary, including, but not limited to, foreign language interpretation and TTY/TTD or other similar services for the deaf and hard of hearing. CONTRACTOR shall ensure that its staff are trained to appropriately communicate with CONTRACTOR's Members who are deaf or hard of hearing. CONTRACTOR shall obtain appropriate Member authorizations and consents to release or exchange information. CONTRACTOR must collaborate with VAYA, the Member, and the Member's relatives and natural supports if applicable, to assure continuity of care with no disruption in services. CONTRACTOR and VAYA will work collaboratively to resolve any problem(s) of continuity of care or in transferring the Member to another provider. A pattern of failure to coordinate services in a timely manner, without demonstrated corrections, may result in administrative actions or sanctions up to and including termination of this Contract, and/or termination, exclusion, or revocation of CONTRACTOR, and/or its Owners and/or Managing Employees, in accordance with Section 1.16.
- 2.13.1 Transfer of Medical Records: Upon request from VAYA or Member, CONTRACTOR agrees to transfer a complete, legible copy of the medical records of any Member transferred to another provider for any reason, including termination of this Contract, at CONTRACTOR's sole cost and expense. Such records shall include, but not be limited to: a minimum of the most recent thirty (30) days' worth of progress notes that reflect the most recent contacts with a Member; any information related to the CONTRACTOR's efforts to engage the Member with an alternate provider of Member's choice; medication management information; a copy of the most recent comprehensive clinical assessment; a copy of the most recent plan of care, with updates; any psychiatric or psychological evaluations; current Member demographic information; and any other records required to be maintained by Controlling Authority. The transfer of medical records must be made within a reasonable time following the request, but in no event more than five (5) days except in cases of emergency, in which case it shall be sooner. All records requested by VAYA pursuant to this Section 2.13.1 shall be provided at no cost to VAYA or the Member.
- 2.13.2 Member Access to Medical Records: Upon request from a Member, CONTRACTOR agrees to provide or deliver a complete, legible copy of the medical records of such Member to the at CONTRACTOR's sole cost and expense. The provision or delivery of medical records to the Member must be made within a reasonable time following the request, but in no event more than five (5) days.
- 2.13.3 N.C. Health Information Exchange: CONTRACTOR shall be connected to the North Carolina Health Information Exchange ("HIE") Network and shall submit data through the HIE Network pertaining to MH/IDD/SU services rendered to Members and/or paid for with Medicaid or other State-funded health care funds in accordance with the time line and other requirements set forth in N.C.G.S. § 90-414.4, as amended from time to time.
- 2.14 Documentation and Access to Records: VAYA shall have access to CONTRACTOR's books, documents, and records required to be retained by Controlling Authority, including, but not limited to, clinical, medical, financial, and personnel records and audited financial statements if available (collectively "records"). All records requested by federal or state authorities or VAYA pursuant to this Section 2.14 shall be provided at no cost and within fourteen (14) days of the date of the request, or earlier if specified in such request. This Section 2.14 and all its subparts shall survive suspension, expiration or termination of this Contract.
- 2.14.1 Record Retention: CONTRACTOR shall retain all records according to the most stringent record retention schedule applicable under Controlling Authority for each Member served, as described in the VAYA Provider Manual, either in original paper form or in electronic/digital form. CONTRACTOR shall maintain records according to industry standards, as well as VAYA's standards as required herein.
- 2.14.2 Availability and Accessibility of Records: CONTRACTOR shall make all records available for review by VAYA and authorized federal and State personnel during the entire Term of this Contract and for a period of ten (10) years thereafter, in accordance with 42 CFR § 438.3(h), unless there are any unresolved federal, state or Vaya

program integrity activities pending. CONTRACTOR shall maintain such records and documentation until all issues are finally resolved, or until such later period as is required under Controlling Authority. If for any reason CONTRACTOR can no longer maintain records of services provided to members, CONTRACTOR must contact the VAYA Records Custodian at Health.Information@vayahealth.com to facilitate resolution.

- 2.14.3 Minimum Member Record Documentation: CONTRACTOR shall maintain, prepare, and make available to VAYA upon request, complete and accurate documentation supporting the provision of services to individual Members, including medical records, as required by professional standards of practice and Controlling Authority, including, but not limited to, APSM 45-2, APSM 10-5, APSM 10-3, and any applicable DHB Clinical Coverage Policy. Documentation must support medical necessity, the billing diagnosis, the number of units provided and billed, the location of the service, the standards of the billing code, and evidence of compliance with applicable Controlling Authority.
- 2.14.4 Records of Costs and Expenses: CONTRACTOR shall maintain, prepare, and make available to VAYA upon request, necessary records and accounts related to the Contract, including personnel records for all staff providing services under the Contract, financial records, audited financial statements, and detailed records of administrative costs and all other expenses incurred pursuant to the Contract, in accordance with Generally Accepted Accounting Principles, to assure a proper accounting of all public funds.
- 2.14.5 Location of Records: If records are not kept on-site where services are provided, they must be immediately available in the event of unannounced program integrity or other monitoring activities. Upon request, CONTRACTOR shall provide VAYA with a list of locations where records required to be maintained under this Contract are stored.
- 2.14.6 Access by Federal and State Oversight Agencies: CONTRACTOR agrees to provide at no cost to the following entities or their designees with prompt, reasonable, and adequate access to the Contract and any records, books, documents, and papers that relate to the Contract and/or CONTRACTOR's performance of its responsibilities under this Contract for purposes of examination, audit, investigation, Contract administration, the making of copies, excerpts, or transcripts, or any other purpose the Department deems necessary for Contract enforcement or to perform its regulatory functions: (i) HHS or its designee; (ii) the Comptroller General of the United States, or its designee; (iii) the Department, its Medicaid managed care personnel, or its designee; (iv) OIG; (v) Medicaid Investigations Division of the North Carolina Attorney General's Office ("MID"); (vi) any independent verification and validation contractor, audit firm, or quality assurance contractor acting on behalf of the Department; (vii) the North Carolina Office of State Auditor, or its designee; (viii) a state or federal law enforcement agency; and (ix) any other state or federal entity identified by the Department, or any other entity engaged by the Department. In accordance with Controlling Authority, specifically 42 CFR § 420.300 through § 420.304, for any contracts for services the cost or value of which is \$10,000 or more over a 12-month period, including contracts for both goods and services in which the service component is worth \$10,000 or more over a 12-month period, the Comptroller General of the United States, the U.S. Department of Health and Human Services ("HHS"), and their duly authorized representatives shall have access to CONTRACTOR's books, documents, and records, including, but not limited to, clinical, medical, financial, and personnel records, until the expiration of four (4) years after the services are furnished under this Contract. Nothing in this Contract shall be construed to limit the ability of the federal government, CMS, OIG, the U.S. Department of Justice, or any of the foregoing entities' contractors or agents, to enforce federal requirements for the submission of documentation in response to an audit or investigation.
- 2.14.7 Data Requests: Upon request, CONTRACTOR shall provide data about Members to VAYA for research and study purposes, as permitted or required by the Department and Controlling Authority.
- 2.14.8 Failure to Provide Records: CONTRACTOR understands, acknowledges and agrees that failure to maintain or provide timely, complete, and accurate documentation of services as required by this Contract may result in payment suspension, withholding of funds, overpayment determination, or other administrative action or sanction, up to and including termination of the Contract, and/or termination, exclusion or revocation of CONTRACTOR, and/or its Owners and/or Managing Employees.
- 2.15 Grievances and Concerns: CONTRACTOR shall promptly and fairly address all grievances and clinical concerns of Members or family members related to provision of services, and, in accordance with 42 CFR Part 438, Subpart F, and/or 10A NCAC 27G .0201(a)(18), as applicable, shall have in place a written grievance and complaint process that is accessible to all Members, that operates in a fair and impartial fashion, and which requires CONTRACTOR to receive and respond timely to grievances or complaints received regarding the CONTRACTOR. The Parties understand,

acknowledge, and agree that Member grievance, appeal, and fair hearing procedures and timeframes shall be administered as specified in 42 CFR § 438.400 through 42 CFR § 438.424 as applicable. CONTRACTOR shall publish and make accessible to Members the VAYA toll-free telephone number for Members to report concerns, grievances, or complaints to VAYA; shall notify Members that they may contact VAYA directly about any concerns, grievances, or complaints; and shall cooperate with the Member in regard to appeals and grievance procedures.

- 2.15.1 Grievance and Complaint Documentation: CONTRACTOR shall maintain documentation to include, at a minimum, the date the grievance or complaint was received, the concerns raised, the resolution/follow up provided, and the date the complaint was resolved.
- 2.15.2 Resolution or Referral by CONTRACTOR: CONTRACTOR shall promptly address all grievances and complaints reported by Member(s) relating to the services provided pursuant to this Contract. CONTRACTOR shall promptly refer any unresolved grievances or complaints, or requests for change in provider, to VAYA.
- 2.15.3 Resolution and Investigation by VAYA: VAYA may receive grievances and complaints about CONTRACTOR directly from Member(s), family members, provider staff, VAYA staff, or other stakeholders. VAYA is required to resolve and/or investigate such grievances within ninety (90) days of receipt in accordance with Controlling Authority. CONTRACTOR shall fully cooperate with all such investigations, and VAYA shall provide CONTRACTOR with a written report of findings, which may include issues out of compliance with this Contract or Controlling Authority, after the conclusion of its investigation. VAYA may implement an expanded or comprehensive investigation and/or take action up to and including the administrative actions or sanctions stated in Section 2.17 against CONTRACTOR as the result of any such grievance or complaint investigation.

2.16 Program Integrity and Other Monitoring Activities: CONTRACTOR understands, acknowledges, and agrees that VAYA is required to investigate any and all credible allegations of fraud, waste, and abuse and that VAYA may conduct investigations into any matters that fall within the scope of this Contract, including, but not limited to, investigations into fraud, waste, provider abuse, overutilization, questionable billing practice(s), grievances, complaints, quality of care concerns, health and safety issues, and violations of this Contract or Controlling Authority. CONTRACTOR further understands, acknowledges, and agrees that CONTRACTOR is subject to, and shall cooperate fully with, program integrity and other monitoring activities conducted by VAYA. For purposes of this Contract, "program integrity and other monitoring activities" shall include, but are not limited to, audits, investigations, post-payment reviews, routine post-payment monitoring, and focused monitoring. This Section 2.16 and all its subparts shall survive suspension, expiration, or termination of this Contract.

- 2.16.1 Cooperation with Federal and State Program Integrity Activities: CONTRACTOR shall cooperate with all announced and unannounced site visits, audits, investigations, post-payment reviews, or other program integrity activities conducted by the Department, CMS, OIG, MID, or the U.S. Department of Justice. In cooperating with federal or State investigations, CONTRACTOR shall provide such authorities with all requested documents, information, and/or data within seven (7) business days of the request, unless a different time is prescribed.
- 2.16.2 Fraud: CONTRACTOR shall publicize and make accessible to Members VAYA's toll-free fraud and compliance hotline. Fraudulent billing may include, but is not limited to, unbundling services, billing for services by non-credentialed or non-licensed staff, or billing for a service that CONTRACTOR never rendered or for which documentation is absent or inadequate. VAYA will conduct investigations of suspected cases of fraud and shall refer cases involving potential Medicaid fraud to DHB for additional investigation by DHB and/or the MID. CONTRACTOR understands, acknowledges, and agrees that for each case of suspected Medicaid fraud, VAYA is required to provide DHB with the provider name, provider type, source/ origin of complaint, description of suspected misconduct, approximate dollars involved, and any evidence obtained.
- 2.16.3 Reports of Regulatory Authorities: CONTRACTOR shall submit to VAYA copies of surveys, reviews, and/or audits performed by accrediting or regulatory authorities of CONTRACTOR, including, but not limited to, CMS, DHHS, DMH/DD/SAS, DHB, and DHSR within five (5) business days of receipt by the CONTRACTOR.
- 2.16.4 VAYA Inspection of Records and Facilities: CONTRACTOR understands, acknowledges, and agrees that VAYA may inspect CONTRACTOR's facilities and premises where records are stored or Members are served to ensure compliance with Controlling Authority and/or VAYA accrediting body requirements. VAYA has the right to inspect, take photographs, scan, and make or request electronic or paper copies of all clinical, medical, personnel, and financial records concerning claims paid on behalf of Members and services provided to Members, including, but not limited to, records of staff who delivered or supervised the delivery of services to Members,

and any other clinical or financial information which VAYA determines is necessary to assure compliance with the Contract. Any and all program integrity or other monitoring activities, including, but not limited to, inspections and site visits, do not have to be arranged in advance with CONTRACTOR. If an unannounced site visit is performed by VAYA, CONTRACTOR shall provide all documentation and records requested by the conclusion of the site visit, except that VAYA may grant additional time to respond for good cause shown, depending upon the size and scope of the request. Any and all records obtained by Vaya during the course of program integrity or other monitoring activities shall remain confidential, unless otherwise required by law to be disclosed.

- 2.16.5 Desk Audits: VAYA may also make a written request for documentation and records for program integrity or other monitoring activities or to meet state, federal, or accrediting body monitoring requirements. In such event, CONTRACTOR shall provide the requested records to VAYA within fifteen (15) days of the date of the request, except that VAYA may grant additional time to respond for good cause shown, depending upon the size and scope of the request. CONTRACTOR may satisfy any request for information by either paper or secure electronic means.
- 2.16.6 Billing Audits/ Post-Payment Reviews: At a minimum of once every two (2) years CONTRACTOR will participate in a routine post-payment monitoring/ billing audit of paid claims conducted by VAYA. At any time, CONTRACTOR's paid claims may also be reviewed by VAYA through routine claims adjudication, focused monitoring, billing audit, post-payment review, or investigation for error, omission, fraud, waste, abuse, overutilization, underutilization, questionable billing practice(s), overpayment, and/or non-compliance with Controlling Authority or this Contract. Any such program integrity or other monitoring activities may be unannounced or arranged with the CONTRACTOR in advance. VAYA shall provide CONTRACTOR with written documentation of findings within fifteen (15) days following the conclusion of any routine post-payment monitoring and within thirty (30) days following the conclusion of any other program integrity or other monitoring activities. CONTRACTOR may be subject to additional pre-payment reviews or audits, post-payment reviews or audits, a plan of correction, the imposition of a sanction, or the imposition of an administrative action, including, but not limited to, an overpayment determination or claim(s) denial. VAYA may use statistical sampling and may extrapolate audit results in accordance with Controlling Authority.
- 2.16.7 Self Audits: CONTRACTOR shall conduct self-audits no less than annually, or more often in response to identification of questionable billing practices, failure to coordinate benefits, or staff ineligibility for billing, and shall report any overpayment(s) or erroneous and/or fraudulent activities discovered within five (5) business days of the conclusion of any such self-audit, and shall remit overpayment to VAYA within sixty (60) days of CONTRACTOR's identification of the overpayment.
- 2.16.8 Overpayments: CONTRACTOR shall repay to VAYA any overpayment identified through self-audit or identified by VAYA or DHHS as out of compliance with Controlling Authority. CONTRACTOR understands, acknowledges and agrees that any encounter claim(s) rejected, denied, or disallowed by DHHS shall be deemed an overpayment and CONTRACTOR shall repay VAYA for any such rejected, denied, or disallowed claim(s), in accordance with the procedures and requirements set forth herein.
- a. If CONTRACTOR has been reimbursed for a claim or portion of a claim that VAYA determines should be disallowed based on fraud, waste, abuse, overutilization, questionable billing practice(s), or non-compliance with Controlling Authority or this Contract, VAYA will provide written notice to the CONTRACTOR of the identified overpayment and thirty (30) days' prior notice of any intent to collect the outstanding balance owed, which may include recouping the overpayment from payment for future claims. Such notice shall identify the Member name(s) and date(s) of service in question, the determination made by VAYA as to each claim, and the requested amount of repayment due to VAYA.
 - i. CONTRACTOR shall have thirty (30) days from the date of such notification to request reconsideration, request approval for a payment plan, or remit the invoiced amount in full. If CONTRACTOR does not elect one of the foregoing options, the overpayment shall become final on the 31st day following the date of notification and VAYA may recoup the amount due, plus simple interest at the legal rate of eight percent (8%) per annum, plus a one-time late payment charge at the rate of ten percent (10%) of the outstanding balance owed, from reimbursement owed to CONTRACTOR, or VAYA may pursue any such other method of collection, as deemed appropriate by VAYA, for the reimbursement of the overpayment, simple interest, and late payment charges.
 - ii. If CONTRACTOR elects reconsideration and the reconsideration decision upholds the overpayment in whole or in part, the amount due as set forth in the reconsideration decision shall become final on the 31st

day following the date of the decision and VAYA may recoup the amount due, plus simple interest at the legal rate of eight percent (8%) per annum, plus a one-time late payment charge at the rate of ten percent (10%) of the outstanding balance owed, from reimbursement owed to CONTRACTOR or VAYA may pursue any such other method of collection, as deemed appropriate by VAYA, for the reimbursement of the overpayment, simple interest, and late payment charges.

- b. If CONTRACTOR has been reimbursed for a claim or portion of a claim that VAYA determines should be disallowed as a result of an error or omission by either Party, VAYA will readjudicate such claims and automatically recoup the overpayment from payments for future claims related to errors or omissions. CONTRACTOR specifically understands, acknowledges and agrees that VAYA shall automatically recoup all claims improperly paid due to error or omission, whether such error was attributable to CONTRACTOR, VAYA, or the Department.

- 2.16.9 Payment Plans: VAYA is not required to approve any request for a payment plan and may establish a payment plan at its sole discretion and on terms and conditions mutually agreed to by the Parties. All payment plans will require a signed promissory note and may require collateral to secure the amount owed and a signed agreement.
- 2.16.10 Dispute Resolution: CONTRACTOR may submit a request for reconsideration of overpayment determinations as outlined in the VAYA Provider Manual.

2.17 Administrative Actions and Sanctions: CONTRACTOR understands, acknowledges, and agrees that VAYA may issue an educational or warning letter, require a plan of correction, or impose administrative actions or sanctions against CONTRACTOR as the result of program integrity and other monitoring activities. Such administrative actions and sanctions include but are not limited to increased monitoring/probation, limitation or suspension of referrals, moratorium on site or service expansion, payment suspension, site- or service- specific suspension or termination, full contract suspension, full contract termination, and/or exclusion from participation in the Closed Network. CONTRACTOR further understands, acknowledges, and agrees that VAYA is not required to issue an educational or warning letter or plan of correction prior to the imposition of administrative actions or sanctions. CONTRACTOR also understands, acknowledges and agrees that CONTRACTOR's exclusion from participation in the Closed Network automatically results in a revocation of the CONTRACTOR's credentials with VAYA and may also result in a revocation of the credentials of any of the CONTRACTOR's Owners or Managing Employees.

2.17.1 Suspensions for Health and Safety: In accordance with VAYA accrediting body requirements, VAYA may suspend this Contract in response to any serious health or safety risk to Members identified by VAYA in the sole discretion of the VAYA Chief Medical Officer or other Senior Clinical Staff Person as such term is used by VAYA's accrediting body, and such suspension shall remain in effect during the pendency of any investigation into such health or safety risk.

2.17.2 Dispute Resolution: CONTRACTOR may submit a request for reconsideration of administrative actions and sanctions as outlined in the VAYA Provider Manual.

2.17.3 Prepayment Review: VAYA may place CONTRACTOR on prepayment review at any point during the Term of this Contract. Prepayment review is not a sanction but is a mechanism by which VAYA or its agent reviews all claims and supporting documentation prior to reimbursement to CONTRACTOR. There is no right to appeal a notice of prepayment review.

2.18 Policies and Procedures: CONTRACTOR agrees to comply with VAYA's quality assurance, quality improvement, accreditation, risk management, utilization review, utilization management, discharge planning, dispute resolution and other clinical, business, and administrative policies and procedures established and revised from time to time in the VAYA Provider Manual or which are set out in bulletins or other written materials, all of which are posted by electronic means on the VAYA website. Such policies and procedures shall not be construed to override the professional or ethical responsibilities of CONTRACTOR or interfere with CONTRACTOR's ability to provide information or assistance to Members it serves. Any substantive or material changes to the VAYA Provider Manual will be posted on the VAYA website at least thirty (30) days prior to the effective date of any such changes and shall become binding upon CONTRACTOR thirty (30) days after notice of website publication via an electronic Provider Communication Bulletin.

2.19 Continuous Quality Improvement (CQI): CONTRACTOR shall engage in Continuous Quality Improvement and shall cooperate with VAYA's written quality management program and the organization's quality improvement ("QI") activities to improve the quality of care and services and Member experience. CONTRACTOR shall implement QI

projects and/or QI activities as directed by VAYA, including but not limited to dissemination of educational or training material to Members. Upon request, CONTRACTOR shall provide to VAYA evidence, data, and/or documentation ("data") necessary for QI, quality assessment, quality assurance, quality management, and/or performance improvement activities, including, but not limited to, data related to assessment of quality of care, best practices, effectiveness, and satisfaction with services and data necessary to satisfy requests from the Department. CONTRACTOR shall comply with treatment protocols and requirements for person-centered planning and shall implement evidence-based practices as defined by DMH/DD/SAS and/or VAYA. CONTRACTOR shall take corrective action on a timely basis to address problems found through the CQI process. CONTRACTOR shall participate in provider and consumer satisfaction and perception of care surveys and assessment projects conducted by the Department and/or VAYA as requested, including the distribution and collection of survey and assessment forms within given timelines and in accordance with confidentiality requirements.

- 2.19.1 Training: CONTRACTOR shall attend any mandatory clinical or orientation sessions scheduled by VAYA, for which CONTRACTOR shall bear the cost. CONTRACTOR shall also bear the cost of all trainings related to licensure and accreditation activity and must be able to demonstrate to VAYA its application of the training information to its delivery of services, in compliance with the provisions of this Contract.
- 2.19.2 Clinical Outcome Requirements and Measures: CONTRACTOR must complete any required outcomes and/or assessments on Members in accordance with applicable guidelines issued by the Department and any subsequent changes thereto, including but not limited to: (i) collection and submission of NC-TOPPS data for designated populations, as specified in the NC-TOPPS Guidelines and any subsequent changes thereto; and (b) collection and submission of outcome data for special populations such as Members eligible for the TCLI resulting from the August 2012 U.S. Department of Justice Settlement Agreement with the State of North Carolina. CONTRACTOR shall submit outcome instruments required by the Department: (i) within the time frames set by VAYA; and (ii) according to the Department's policy. Guidelines for CONTRACTOR to obtain and submit the outcomes data shall be specified in the VAYA Provider Manual and/or Provider Communication(s). The appropriate outcome instrument to be used for a specific Member will depend upon the age and primary disability category of the Member.
- 2.19.3 Clinical Information Data Submission: If CONTRACTOR is authorized to conduct an assessment of a referred Member, it shall electronically submit to VAYA all required data elements within five (5) business days of the last assessment session, using the protocol(s) and formats required by the Department and VAYA. In documented crisis and/or emergency situations, CONTRACTOR must still enroll the Member within five (5) calendar days after providing services and indicate the date of enrollment as the date that the emergency services were provided, even if the Member is referred to another provider. CONTRACTOR shall establish review procedures to ensure that a minimum of 90 percent of all data elements for each record are complete and accurate and a minimum of 85 percent of all data elements for each record are coded as something other than "Other" or "Unknown" within thirty (30) days of first submission.

2.20 Cultural Competence and Code of Ethics: CONTRACTOR will develop a Cultural Competence Plan that is consistent with the VAYA Cultural Competence Plan, shall develop procedures for the implementation of systems to evaluate and/or measure adherence to its Cultural Competence Plan, and shall ensure that all employees and subcontractors are trained on such procedures. CONTRACTOR shall complete the Cultural Competence Self-Assessment Tool no less than annually, which shall be evaluated by VAYA using a standard monitoring tool. CONTRACTOR shall comply with the Code of Ethics developed by the VAYA Provider Advisory Council and included in the VAYA Provider Manual

2.21 Duties Related to Closure or Termination: CONTRACTOR shall provide at least sixty (60) days' prior written notice to VAYA of the anticipated cessation of a service or closure of a site or CONTRACTOR's entire business operations. If CONTRACTOR is ceasing its business operations within all of the Catchment Area, whether due to retirement, bankruptcy, insolvency, dissolution, relocation, acquisition, or sale, or for any other reason, then CONTRACTOR shall submit to VAYA: (i) A plan for maintenance and storage of all records for Members in VAYA's Catchment Area which is subject to VAYA's approval or disapproval in its sole discretion; and (ii) A master log of all Members served within the VAYA Catchment Area, along with the storage location and the name and contact information of the records custodian. In the event that the plan for maintenance and storage is not approved by VAYA, CONTRACTOR shall provide to VAYA copies of all medical records for Members served under this Contract and

records supporting the provision of services within thirty (30) days of closure of operations, at no cost to VAYA. CONTRACTOR shall retain all original records as required by Controlling Authority. This Section 2.21 shall survive suspension, expiration, or termination of this Contract.

2.22 First Responder for Crisis/Emergency: CONTRACTOR shall notify the Member and his/her relative/ natural support of the process for accessing crisis/emergency services 24 hours a day, 7 days a week, and 365 days a year, both orally and in writing at initial contact. The notification shall include contact information for an alternate source of assistance in the event that CONTRACTOR is not available. CONTRACTOR shall also post on its website, and make available in the lobby of all of its offices, its after-hours' telephone number for accessing crisis/emergency services, as well as the telephone number for VAYA's 24-hour Access to Services Line at 1-800-849-6127. Emergency (including crisis) and post-stabilization care services do not require prior authorization from VAYA.

2.23 Response to Survivors of Disasters and other Hazards: If designated by VAYA, CONTRACTOR, under the direction of VAYA and in coordination with the local Emergency Management agencies, shall deploy behavioral health disaster responders to deliver behavioral health disaster services to survivors and other responders within the counties served by VAYA. Behavioral health disaster services may be required at the site of a disaster, in emergency shelters, on the telephone/TTY machine, and at other sites in which other disaster response agencies provide information or services to survivors and responders (e.g., FEMA Disaster Application Centers, emergency medical intervention, decontamination, or quarantine sites). When it is determined that survivors or other disaster responders are in need of longer-term MH/IDD/SU services, CONTRACTOR's behavioral health disaster responders shall refer such persons in need to VAYA or its designee for further assistance.

2.24 Technology: CONTRACTOR understands, acknowledges, and agrees that to participate in the Closed Network, CONTRACTOR shall have and maintain access to the internet, facsimile, and/or electronic mail.

ARTICLE III: OBLIGATIONS OF VAYA

3.1 Reimbursement: VAYA shall reimburse CONTRACTOR for services provided to Members according to the terms and conditions outlined in this Contract, and as authorized by VAYA, except in those instances where authorization is not required. This Section 3.1 shall survive suspension, expiration, or termination of this Contract.

3.2 Communication: VAYA shall electronically publish or disseminate the VAYA Provider Manual. Along with Controlling Authority, the VAYA Provider Manual shall provide the CONTRACTOR with pertinent information necessary for the CONTRACTOR to perform its obligations under this Contract, including a description of the VAYA dispute resolution mechanism, information about how to obtain benefit, eligibility, grievance, complaint, and Member appeals information, and citations to relevant rules, regulations, standards, and other information distributed by the Department. VAYA shall also electronically publish or disseminate regular provider bulletins, which shall include updates of network activities, changes in fee schedules or contracting provisions, training opportunities, and other information deemed necessary or advisable in the sole discretion of VAYA.

3.3 Training and Technical Assistance: VAYA shall maintain information and forms useful to providers of MH/IDD/SU services on its website, offer training, facilitate a Provider Advisory Council, provide reasonable technical assistance to CONTRACTOR, establish a mechanism to receive suggestions and guidance from Network Providers on how the Closed Network can best serve Members, and include Network Provider representation on committees that address clinical and provider payment policies, including, but not limited to, the Credentialing Committee and Quality Improvement Committee.

3.5 Screening, Triage and Referral ("STR"): VAYA will work with community agencies to ensure that Members can enter the system through many avenues in order to receive timely and effective service. A Member seeking access to services shall have an initial screening and triage by VAYA (or its contracted agent) in order to determine if the Member has an MH/IDD/SU need. VAYA's STR staff will complete an initial screening and will then contact the provider of choice or, in the absence of Member preference, an appropriate provider who represents an appropriate Member-provider match to complete an assessment. VAYA will have TTY capability for persons who have a hearing impairment, and will

provide foreign language interpretation to the person making the referral or to the Member seeking service for the purposes of receipt of appropriate information for referral of services at no cost when necessary.

ARTICLE IV: BILLING AND REIMBURSEMENT

4.1 Condition of Payment: CONTRACTOR understands, acknowledges, and agrees that reimbursement for services rendered is expressly conditioned upon compliance with all applicable Controlling Authority and all terms and conditions of this Contract. CONTRACTOR must complete and submit an Electronic Funds Transfer (“EFT”) form and W-9, along with all required documents described therein, in order to receive payment from VAYA. CONTRACTOR shall timely provide updated documents to VAYA as needed when information contained within the EFT and W-9 change.

4.4 Third Party Billing: CONTRACTOR shall comply with all terms of this Contract even though a third party agent or clearinghouse may be involved in billing the claims to VAYA. It is a material breach of this Contract for the CONTRACTOR to assign the right to payment under this Contract to a third party in violation of Controlling Authority, specifically 42 CFR § 447.10.

4.5 Reimbursement Rates: CONTRACTOR understands, acknowledges and agrees that reimbursement rates paid under this Contract are as set forth in Attachment A. CONTRACTOR shall bill VAYA for only those services identified in Attachment A.

4.7 Invoicing and Reimbursement. The amount and conditions of reimbursement to CONTRACTOR for non-Medicaid services rendered by CONTRACTOR is set forth in the Scope(s) of Work attached hereto as Attachment A. Contractor shall submit a monthly invoice and shall be reimbursed as outlined in Attachment A.

4.8 Audits. CONTRACTOR shall adhere to Generally Accepted Accounting Principles. CONTRACTOR shall adhere to Generally Accepted Accounting Principles. When required or requested by VAYA, CONTRACTOR shall make available its accounting records relating to services provided to or on behalf of VAYA under this Contract for the purpose of audit by VAYA or by DHHS for Federal authorities. CONTRACTOR shall have an annual audit by an independent certified public accountant (CPA) and shall submit a copy of such audit to VAYA on or before November 30 of each year.

4.7 Purchase of Equipment. If this Contract includes capital expenditures of \$5,000.00 or more, ownership of the assets purchased in whole or in part under this Contract is vested with CONTRACTOR so long as CONTRACTOR continues to provide the services covered under the Contract. If such services are discontinued, disposition of the assets shall occur as approved by VAYA and in accordance with 10A NCAC 27A.0112. Non-UCR funds shall not be used for capital expenditures without written permission from VAYA pursuant to 10A NCAC 27A.0204.

4.8 Document Submission. Any financial documents required to be submitted by CONTRACTOR under this Article shall be sent electronically to Payables@vayahealth.com.

4.9 Coordination of Benefits: CONTRACTOR shall comply with N.C.G.S. §122C-146, which requires contracted providers to make every reasonable effort to collect payments from third party payors and to coordinate each Member’s health care benefits so as to avoid undue delay in the provision of services and to ensure that public funds shall be used only if and when other sources of first- and third- party coverage have been exhausted. CONTRACTOR shall make every reasonable effort to verify all insurance and other third-party benefit plan details during first contact with the Member, so that Members are directed to appropriate providers, and to comply with North Carolina law. During an emergency, CONTRACTOR shall provide the necessary services and then assist to coordinate payment. CONTRACTOR shall report any third-party coverage of Members to the appropriate County DSS within five (5) business days of obtaining the information from a source other than DSS.

4.9.1 Payor of Last Resort: Medicaid is the payor of last resort, and Medicaid benefits payable through VAYA are secondary to benefits payable by any other payor, including Medicare, federal block grants, and state and local funding, even if the primary payor states that its benefits are secondary to Medicaid benefits or otherwise limits its payments to Medicaid beneficiaries. Notwithstanding the foregoing, and in accordance with 42 CFR § 136.61, the

Indian Health Service shall be the payor of last resort for persons defined as eligible for "contract health services" under Title 42 of the Code of Federal Regulations, Part 136.

- 4.9.2 First and Third Party Coverage: Each time a Member receives services, CONTRACTOR shall determine whether the Member has first- or third-party coverage that covers the service provided. CONTRACTOR shall bill all first- and third-party payors prior to billing VAYA, except for Medicare claims qualifying for direct submission. CONTRACTOR shall indicate third-party reimbursement or denial information on all claims submitted to VAYA. Claims submitted without third-party payor information may be denied. In the event that CONTRACTOR submits a claim to VAYA without first billing the appropriate third-party payors, VAYA shall treat this as an error and/or omission of CONTRACTOR and shall automatically recoup such funds from CONTRACTOR in accordance with Section 2.16.8(b).
- 4.9.3 Medicare Billing Codes: Certain billing codes for which Medicare is the primary payor may be submitted directly to VAYA. CONTRACTOR may obtain a list of such codes from VAYA by contacting claims@vayahealth.com.
- 4.9.4 Secondary Payment: VAYA makes secondary payments to supplement the primary payment if the primary payment is less than the lesser of: (i) the usual and customary charges for the service, or (ii) the rate established by VAYA. VAYA does not make a secondary payment if the CONTRACTOR is either obligated to accept, or voluntarily accepts, as full payment, a primary payment that is less than its charges. If CONTRACTOR or Member receives a reduced primary payment because of failure to file a proper claim with the primary payor, the VAYA secondary payment may not exceed the amount that would have been payable if the primary payor had paid on the basis of a proper claim. CONTRACTOR must inform VAYA that a reduced payment was made and must specify the amount that would have been paid if a proper claim had been filed.
- 4.9.5 Co-payments: CONTRACTOR shall not bill VAYA for third party co-pays and/or deductibles unless there is an explicit exception permitted by Controlling Authority. Under the 1915(b)/(c) Medicaid Waiver, CONTRACTOR may not require co-payments, deductibles, or other forms of cost-sharing from Members for Medicaid services covered under this Contract. Members who have a spend-down requirement imposed by NC DHHS as a condition of their Medicaid eligibility are required to meet the spend-down requirements prior to being considered eligible under the 1915(b)/(c) Medicaid Waiver.
- 4.9.6 Preservation of Public Funds: CONTRACTOR acknowledges, understands, and accepts that the funds used to pay the CONTRACTOR under this Contract are public government funds. CONTRACTOR shall demonstrate good faith efforts to seek alternate and/or supplemental sources of financing so as to reduce dependency on public government funding sources. If CONTRACTOR offers mental health and/or substance use services on an outpatient basis, it shall demonstrate good faith efforts to seek and/or maintain membership on Medicare panels and major commercial insurance panels. CONTRACTOR understands, acknowledges, and agrees that it shall not be entitled to reimbursement for any claims submitted for any LP and/or LPA who was deemed ineligible for reimbursement by a primary payor for any reason whatsoever.
- 4.12 Cost Savings: CONTRACTOR understands, acknowledges, and agrees that any savings achieved by VAYA through its management of the Closed Network under any of its benefit plans, including, but not limited to, the 1915(b)/(c) Waiver or any other Medicaid Waiver, are the sole and exclusive property of VAYA.
- 4.14 Effect of Termination: This Article IV and all its Sections and subparts shall survive suspension, expiration, or termination of this Contract.

ARTICLE V: INSURANCE REQUIREMENTS

- 5.1 Minimum Coverage Requirements: CONTRACTOR shall purchase and maintain insurance as listed below from a company, or a self-insurance program, which is licensed and authorized to do business in the State of North Carolina by the North Carolina Department of Insurance. Insurance policies shall not be suspended, voided, canceled, or reduced in coverage limits below the stated minimums without thirty (30) days' prior written notice to VAYA. All premiums and deductibles shall be at the sole expense of the CONTRACTOR. Failure to provide and maintain adequate insurance coverage is a material breach of this Contract by CONTRACTOR. All such insurance shall meet all laws, rules, regulations, and requirements of the State. The limits of coverage under each insurance policy maintained by CONTRACTOR shall not be interpreted as limiting the CONTRACTOR's liability or obligations under this Contract.

- 5.1.1 Professional Liability: CONTRACTOR shall purchase and maintain Professional Liability Insurance protecting the CONTRACTOR and any employee performing work under the Contract for an amount not less than \$1,000,000.00 per occurrence/\$3,000,000.00 annual aggregate.
- 5.1.2 Comprehensive General Liability: CONTRACTOR shall purchase and maintain Comprehensive Liability Insurance, including coverage for bodily injury, property damage, and contractual liabilities and Indemnification herein assumed by CONTRACTOR under this Contract, protecting CONTRACTOR and its employees performing work under the Contract from claims of bodily injury or property damage arising from operations under the Contract for an amount of not less than \$1,000,000.00 per occurrence/\$3,000,000.00 annual aggregate.
- 5.1.3 Automobile Liability: If CONTRACTOR transports Members or subcontracts with a person or entity for Member transportation, CONTRACTOR shall purchase and maintain Automobile Bodily Injury and Property Damage Liability Insurance covering all owned, non-owned, and hired automobiles for an amount not less than \$100,000.00 per person and \$300,000.00 per occurrence, or shall ensure that subcontractors purchase and maintain such coverage. Policies written on a combined single limit basis shall have a minimum limit of \$600,000.00 for bodily injury and property damage. Any CONTRACTOR who does not transport Members shall attest to the same in writing.
- 5.1.4 Workers' Compensation and Occupational Disease Insurance, Employer's Liability Insurance: CONTRACTOR shall purchase and maintain Workers' Compensation and Occupational Disease Insurance if it has employees, in such amounts and as required by Controlling Authority and N.C.G.S. Chapter 97. CONTRACTOR shall purchase and maintain Employer's Liability Insurance for an amount not less than \$100,000.00 per accident for Bodily Injury by Accident, \$100,000.00 per employee/disease for Bodily Injury by Disease, with a \$500,000.00 Policy Limit, to the extent that the death of or injury to the CONTRACTOR's employees are not covered by the Workers Compensation and/or Occupational Disease Insurance. Any CONTRACTOR not required to obtain such coverage shall attest to the same in writing.
- 5.1.5 Tail Coverage: Liability insurance may be on either an occurrence basis or on a claims-made basis. If the policy is on a claims-made basis, CONTRACTOR shall purchase, at its sole cost, an extended reporting endorsement (tail coverage) for a period of not less than three (3) years after the end of the Contract Term, or an agreement to continue liability coverage with a retroactive date on or before the beginning of the Contract Term and shall also provide a copy of such policy to VAYA. This Section 5.1.5 shall survive suspension, expiration, or termination of this Contract.
- 5.1.6 Approval for Changes. CONTRACTOR shall obtain written approval from VAYA for any deviation from the minimum requirements listed above prior to providing Services.
- 5.2 Self-Insurance: CONTRACTOR shall have the right to self-insure provided that the self-insurance program is licensed by the NC Department of Insurance and has been actuarially determined to be sufficient currently to pay the insurance limits required in this Contract.
- 5.3 Certificates of Insurance/Memorandum of Insurance: CONTRACTOR shall submit certificates of insurance/memoranda of insurance ("COIs/MOIs") coverage to VAYA upon request. Prior to VAYA's execution of this Contract, VAYA may, at its sole discretion, require CONTRACTOR to have the insurance policies required herein endorsed to reflect the minimum standards stated above, as well as all other requirements in the insurance provisions of this Contract, and to provide VAYA with COIs/MOIs reflecting the aforementioned endorsements, the minimum standards stated above, as well as all other requirements in the insurance provisions of this Contract.
- 5.3.1 Form: The COIs/MOIs shall be on certificate form(s) as furnished by CONTRACTOR's insurer(s) and/or underwriter(s). VAYA's acceptance of COIs/MOIs which do not comply with the insurance requirements herein shall not be deemed a waiver of the insurance requirements. VAYA reserves the right to require certified copies of any or all policies.
- 5.3.2 Continuous Coverage and Notifications: Following execution of this Contract, CONTRACTOR shall:
- Submit to VAYA new COIs/MOIs no later than ten (10) days after the expiration of any required insurance coverage to ensure documentation of continual coverage;
 - Notify VAYA in writing within forty-eight (48) hours of any cancellation or material change in coverage;
 - Provide evidence to VAYA of continual coverage at the policy limits stated above within forty-eight (48) hours if CONTRACTOR changes insurance carriers during the performance period of the Contract, including tail coverage as required for continual coverage; and

d. Notify VAYA in writing within ten (10) business days of knowledge or notice of a claim, suit, or criminal or administrative proceeding against CONTRACTOR or any licensed practitioner employed or subcontracted by CONTRACTOR relating to the quality of services provided under this Contract.

5.3.3 Submission to DHB: CONTRACTOR understands, acknowledges and agrees that VAYA may be required to submit a copy of one or more of CONTRACTOR's COIs/MOIs to DHB, upon request.

5.4 Waiver of Subrogation: Except for policies for Professional Liability Insurance and Workers' Compensation and Occupational Disease Insurance, CONTRACTOR shall have its insurers and underwriters waive their rights of subrogation (whether by loan receipts, equitable assignment, or otherwise) against VAYA and its directors, officers, representatives, agents, employees, contractors, subcontractors of any tier, and the insurers, excess insurers, and underwriters of the foregoing (collectively "VAYA Group"). CONTRACTOR agrees to waive its rights of subrogation against VAYA Group.

5.5 Additional Insured/Loss Payee: Except for Workers' Compensation and Occupational Disease Insurance, all policies shall name as additional insureds or loss payees, as applicable depending on the terms of the policy, the members of the VAYA Group, as listed above, and all such insurance policies shall be specified as noncontributory and primary regardless of any other insurance carried by VAYA Group. All policies naming members of the VAYA Group as additional insureds or loss payees shall provide coverage to the additional insureds or loss payees on a broad form basis with such additional insured or loss payee coverage being just as broad as the coverage provided to the named insured including but not limited to, coverage for the sole or concurrent negligence of each additional insured and not be restricted to and/or contain exclusions for (a) "ongoing services," (b) coverage for vicarious liability, or (c) circumstances in which the named insured is partially negligent. Any policy that limits coverage afforded to VAYA Group as additional insureds or loss payees to liabilities arising out of acts or omissions of CONTRACTOR, or any similar limitation, shall not be in compliance with the requirements of this Contract. CONTRACTOR understands, acknowledges, and agrees that the insurance coverages required by this Contract shall not be invalidated as regards the interest of the VAYA Group by any act or neglect of the named insured or any member of VAYA Group.

5.6 Liability: Failure of CONTRACTOR to secure the insurance coverages, or to comply fully with any of the insurance provisions of this Contract, or to secure such endorsements on the policies as may be necessary to carry out the terms and provisions of this Contract shall be the responsibility of the CONTRACTOR and shall in no way act to relieve CONTRACTOR from the obligations of this Contract, any provisions hereof to the contrary notwithstanding. If liability for loss or damage is denied by the CONTRACTOR's insurer(s) and/or underwriter(s), in all or in part, for any reason whatsoever, including, but not limited to, breach of said insurance by CONTRACTOR or failure of CONTRACTOR or its subcontractors of any tier to maintain any of the insurance herein required, CONTRACTOR shall Indemnify all members of VAYA Group against all claims, demands, costs, and expenses, including, but not limited to, attorneys' fees and punitive damages, which would otherwise be covered by said insurance even if the liability arises out of the sole or concurrent negligence, strict liability, gross negligence, willful or wanton misconduct, or other fault of any member of VAYA Group.

5.7 Certification Regarding Insurance: By executing this Contract, CONTRACTOR understands, acknowledges, and agrees that: (i) any loss of insurance shall justify the termination of this Contract in VAYA's sole discretion; (ii) upon CONTRACTOR's notification to VAYA of a claim, suit, or criminal or administrative proceeding against CONTRACTOR or any licensed practitioner employed or subcontracted by CONTRACTOR relating to the quality of services provided under this Contract, VAYA in its sole discretion shall determine within ten (10) days of receipt of notification whether termination of the Contract or other sanction is required; and (iii) all insurance requirements of this Contract must be fully met unless specifically waived in writing by VAYA.

ATTACHMENTS AND SIGNATURES TO FOLLOW

ATTACHMENTS

The following attachments, appendices, exhibits, and/or schedules are an integral part of this Contract and are deemed incorporated herein by this reference if so marked:

- Attachment A – Service-Specific Scope(s) of Work
- Attachment A-1 – Financial Requirements

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK



SIGNATURE PAGE

IN WITNESS WHEREOF, each Party intends this Contract to be under seal and has caused this Contract to be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, as the act of said Party. Each individual electronically signing below certifies that he or she has been granted the authority to bind said Party to the terms of this Contract and any Addendums or Attachments thereto.

Provider Legal Name: Madison County Government

By:  (ADOPTED SEAL)
CONTRACTOR DULY AUTHORIZED OFFICIAL

Name: Matt Wechte

Title: Chair, Board of Commissioners

Date: May 9, 2023

Vaya Health:

By: _____ (ADOPTED SEAL)
VAYA DULY AUTHORIZED OFFICIAL

Name and Title: Brian Ingraham, President & Chief Executive Officer

Date: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act, N.C.G.S. § 159-28.

Vaya Health Finance Officer, or designee

Date

MADISON COUNTY
ATTACHMENT A—SCOPE OF WORK
FISCAL YEAR 2022-2023

Attachment A– Scope of Work

This Attachment A –Scope of Work is an integral part of the Contract by and between VAYA and CONTRACTOR. This Attachment B is effective during the Term. CONTRACTOR agrees to provide MH/IDD/SU services to eligible Members as set forth in the Contract (including the provisions in this Attachment A) and in accordance with all requirements set forth or referenced in Controlling Authority, including but not limited to the VAYA Provider Manual, applicable federal and state laws, rules, and regulations, applicable DMH/DD/SAS Service Definitions (available at <https://www.ncdhhs.gov/divisions/mhddsas/servicedefinitions>), NC Medicaid Clinical Coverage Policies (available at <https://medicaid.ncdhhs.gov/providers/clinical-coverage-policies/behavioral-health-clinical-coverage-policies>), and implementation updates, bulletins and manuals issued by the Department governing the provision of services in this Attachment A, and all subsequent revisions to the foregoing. Any capitalized term not otherwise defined in this Attachment A shall have the same meaning and definitions as set forth in other portions of the Contract.

- I. **Name/Description of Service(s), Program or Initiative:** Madison County will serve residents of Madison County including at-risk individuals who have justice involvement and no insurance and educate the community on substance use and mental health prevention, treatment, and recovery.
- A. **Description or Explanation of Program or Initiative, if applicable:** Madison County
- B. **County or Counties Served:** Madison
- C. **DMH/DD/SAS Service Definition(s), if applicable – CONTRACTOR shall deliver the service(s) identified herein in accordance with the following NC Medicaid Clinical Coverage Policy, DMH/DD/SAS Service Definition and/or VAYA in lieu of service definition and the Additional Service Requirements listed herein:** Not Applicable
- D. **Additional Service Requirements:**
- a. **Staffing Patterns and Infrastructure:** Not Applicable
 - b. **Staff Training Requirements:** Not Applicable
 - c. **Best Practices/Model Fidelity:** Not Applicable
 - d. **Service Delivery Requirements above and beyond requirements of applicable NC Medicaid Clinical Coverage Policy, DMH/DD/SAS Service Definition or VAYA in lieu of service definition: (if not covered in a Service Definition)**
 - 1. CONTRACTOR shall utilize funds to purchase two (2) vehicles to support individuals involved with Drug Court and/or MOUD treatment at the Health Department;

MADISON COUNTY
ATTACHMENT A—SCOPE OF WORK
FISCAL YEAR 2022-2023

2. CONTRACTOR shall utilize funds purchase equipment for the Health Department and Department of Social Services that will be used to support individuals involved with their MOUD program;
3. CONTRACTOR shall utilize funds to purchase equipment for EMS/Sheriff's office that will be used when responding to overdose calls;
4. CONTRACTOR shall utilize funds Drug Court renovations and services;
5. CONTRACTOR shall utilize funding for medical and dental services for individuals involved with Drug Court and MOUD program at the Health Department;
6. CONTRACTOR shall utilize funding for urine drug screening for individuals with substance use and who are involved with Department of Social Services;
7. CONTRACTOR may utilize funds for training for Health Department and Drug Court staff on Internal Family Systems and CADCA;
8. CONTRACTOR may utilize funds to purchase transportation gift cards for Drug Court participants;
9. CONTRACTOR shall not use funds to provide cash payments or purchase gift cards;
10. CONTRACTOR shall not utilize funds to supplement any reimbursement for services or staff activities that are provided through NC Medicaid;
11. CONTRACTOR shall not utilize funds to purchase hypodermic needles or syringes so that members may use illegal drugs;
12. CONTRACTOR shall not utilize funds to provide treatment services for individuals who are currently incarcerated; and
13. CONTRACTOR shall not utilize funds for any law enforcement activities.

E. Documentation Requirements:

- a. CONTRACTOR shall provide and maintain a monthly summary of services provided which may include but is not limited to:
 1. Number of participants in the MOUD and Drug Court program (verified through enrollment/referral forms)
 2. Percentage of participants who complete MOUD and/or Drug Court program (verified through internal reports)
 3. Percentage of participants who maintain active engagement in services such as counseling, clinical visits, substance use treatment, etc. (verified by treatment providers and internal reports)

F. Community Collaboration:

- a. CONTRACTOR shall participate in community meetings with VAYA and other stakeholders to inform them of funding availability. Community stakeholders will include but not limited to:
 - Madison County Substance Use Coalition

G. Funding and Financial Requirements:

MADISON COUNTY
ATTACHMENT A—SCOPE OF WORK
FISCAL YEAR 2022-2023

- a. **In addition to the requirements set forth in this Contract, including any attachments, CONTRACTOR shall adhere to the following additional financial requirements:**
 - 1. CONTRACTOR shall submit a budget for FY23 upon execution of this contract. VAYA will approve or disapprove the budget within 30 days of receipt. If the budget is not approved, CONTRACTOR shall re-submit for approval within 15 days.
 - 2. CONTRACTOR shall adhere to the approved Annual Budget. Any revisions to or deviations from the budget must be approved in writing by the VAYA.
 - 3. CONTRACTOR shall submit monthly invoices to payables@vayahealth.com with a brief description of how funds were utilized by the 15th of the following month.

- b. **Specifically see Attachments A-1**

H. Reporting & Performance Outcomes:

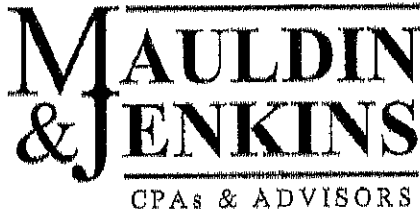
- A. **Reporting Requirements:** CONTRACTOR shall provide a monthly summary document to VAYA (Network.Management@vayahealth.com) and Community Stakeholders. Summary should include the performance measures outlined in section V. The summary should not include any Protected Health Information (“PHI”).
 - a. **Performance Outcomes:** CONTRACTOR shall monitor the following indicators and include them in their monthly summary document,
 - 1. Percentage of patients/clients reporting improvement in quality of life since engaging in MOUD/Drug Court?
 - 2. Percentage of patients/clients reporting hurdles in their recovery this past month?
 - 3. The number of patients/clients who have attended all their required appointments/meetings
 - 4. Percentage of negative Urine Drug Screens as expected

MADISON COUNTY
ATTACHMENT A—SCOPE OF WORK
FISCAL YEAR 2022-2023

Attachment A-1 - Madison County FY 2022/2023

Services Effective 7/1/2022-6/30/2023 unless otherwise noted below

	SOURCE OF FUNDS		REPORTING EXPECTATION		
	Federal Non-UCR Funding	Total Funding	Submit Invoice with Actual Expenditures for Payment	Total Funding	Payment Method
Site and Service					
SAPTBG Treatment and/or recovery services for adults with SU	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	Expense/Invoice
	\$ -	\$ -	\$ -	\$ -	
TOTAL CONTRACT AMOUNT	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	



April 28, 2023

The Board of County Commissioners and
Norris Gentry, County Manager
Madison County, North Carolina
107 Elizabeth Lane
Marshall, North Carolina 28753

Attn: Kary Ledford, Financial Officer and Rod Honeycutt, County Manager

We are pleased to confirm our understanding of the services we are to provide Madison County, North Carolina (the County) for the year ended June 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Madison County, North Carolina as of and for the year then ended. These statements will include the budgetary comparison information for the General Fund. We will obtain and place reliance on the report of other auditors for the Madison County Housing Authority, a discretely presented component unit of the County. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Schedule of County's Proportionate Share of the Net Pension Liability - LGERS.
3. Schedule of County Contributions -- LGERS.
4. Schedule of Changes in Total Pension Liability -- LEOSSA
5. Schedule of Total Pension Liability as a Percentage of Covered Payroll -- LEOSSA.

6. Schedule of County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension.
7. Schedule of County Contributions – Register of Deeds' Supplemental Pension.

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal and state awards.
2. Combining and individual fund statements.
3. Supplemental ad valorem tax schedules

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on -

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of North Carolina Single Audit Implementation Act (State Single Audit Act).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and the State Single Audit Act, and will include tests of accounting records, a determination of major program(s)

MT

in accordance with the Uniform Guidance and State Single Audit Act, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we will exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We plan to obtain and place reliance on the report of other auditors for the Madison County Housing Authority, a discretely presented component unit of the County, assuming that our communications with the other auditors and review of their audit report and the financial statements of the Madison County Housing Authority provide sufficient and appropriate audit evidence on which to base our overall opinion on the aggregate discretely presented component

MJ

units (If we are referencing another auditor in our audit report then this paragraph is necessary -- if we are not referencing another auditor then you do not need this paragraph).

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

1. Management's override of internal controls.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and State Single Audit Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and State Single Audit Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Madison County, North Carolina's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

MF

The Uniform Guidance and State Single Audit Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina* for the types of compliance requirements that could have a direct and material effect on each of Madison County's major programs. For federal and/or state programs that are included in the Federal or State Compliance Supplements, our compliance and internal control procedures will relate to the compliance requirements that the Federal or State Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Madison County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and State Single Audit Act.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance and State Single Audit Act based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal and state awards, all financial records and related information available to us and for the

accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. You are also responsible for coordinating our access to information relevant to the preparation and fair presentation of the financial statements of component units which may include discussions with component unit management and their auditors. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and state awards; federal award programs; state award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance and State Single Audit Act, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and state awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review subsequent to the start of fieldwork.

With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document. In the event that Mauldin & Jenkins is requested to be involved with an exempt offering document, you agree that the aforementioned auditor's report or reference to Mauldin & Jenkins will not be included without our prior permission or consent. Furthermore, any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

MJ

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

MJ

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

You acknowledge Madison County will not utilize Mauldin & Jenkins, LLC to store documents, data, or records on behalf of the County in accordance with the "Hosting Services" (see ET section 1.295.143) interpretation of the AICPA Code of Professional Conduct. The County is solely responsible for maintaining its own data and records.

In that regard, SuraLink is used solely as a method of transferring data to Mauldin & Jenkins, LLC and is not intended for the storage of the County's information. All information you will provide through SuraLink is a copy and you will maintain original documents and data as part of your records.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Madison County, North Carolina; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

MJ

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to North Carolina Local Government Commission or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 19, 2023 and to issue our reports no later than December 1, 2023. James Bence is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$73,000 for the year ended June 30, 2023. Our fee includes the performance and reporting of up to four major programs for the federal and state single audit. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Members of the Board of Commissioners for Madison County, North Carolina. We will make reference to other auditor's report on the Madison County Housing Authority in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may

be necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs to our auditor's report, or if necessary, withdraw from this engagement. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Madison County, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC



James Bence

RESPONSE:

This letter correctly sets forth the understanding of Madison County, North Carolina.

By:  _____

Title: Chairman, Board of Commissioners

By: _____

Title: _____

The of and	Governing Board Board of Commissioners
	Primary Government Unit Madison County
	Discretely Presented Component Unit (DPCU) (if applicable)

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Mauldin & Jenkins, PLLC
	Auditor Address 4208 Six Forks Road, Suite 1000, Raleigh, NC 27609

Hereinafter referred to as Auditor

for	Fiscal Year Ending	Date Audit Will Be Submitted to LGC
	06/30/23	11/01/23

Must be within four months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). The basic financial statements shall include budgetary comparison information in a budgetary comparison statement, rather than as RSI, for the General Fund and any annually budgeted Special Revenue funds.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards (GAGAS)* if the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period. The auditor shall perform a Single Audit if required by Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F* (Uniform Guidance) or the State Single Audit Implementation Act. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

Effective for audits of fiscal years beginning after June 30, 2023, the LGC will allow auditors to consider whether a unit qualifies as a State low-risk auditee based upon federal criteria in the Uniform Guidance §200.520(a), and (b) through (e) as it applies to State awards. In addition to the federal criteria in the Uniform Guidance, audits must have been submitted timely to the LGC. If in the reporting year, or in either of the two previous years, the unit reported a Financial Performance Indicator of Concern that the audit was late, then

the report was not submitted timely for State low-risk auditee status. Please refer to "Discussion of Single Audits in North Carolina" on the LGC's website for more information.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.

4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.

5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC Staff within four months of fiscal year end. If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.

7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an auditor issues an AU-C §260 report, commonly referred to as "Governance Letter," LGC staff does not require the report to be submitted unless the auditor cites significant findings or issues from the audit, as defined in AU-C §260.12 - .14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious reviewed with those charged with governance, and other significant matters.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.

9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

see attached
engagement letter

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. **Applicable to audits with fiscal year ends of June 30, 2020 and later.** For all non-attest services, the Auditor shall adhere to the Independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 Revision* (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The auditor shall present the audited financial statements including any compliance reports to the government unit's governing body or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary. The auditor's presentation to the government unit's governing body or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the auditor, and any other issues related to the internal controls or fiscal health of the government unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the auditor regarding internal controls as required by current auditing standards set by the Accounting Standards Board or its successor;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the governing body that the governing body shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary for the purpose of identifying Financial Performance Indicators and Financial Performance Indicators of Concern. See 20 NCAC 03 .0502(e)(6).

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 17 for clarification).

Number 26 above, as the Auditor does not have 25 or more employees in the State of North Carolina.

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitted-your-audit>

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

FEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit/ Company:	Email Address:
Kary Ledford	Finance Officer	kledford@madisoncountync.gov

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit form for correction.

4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in 20 NCAC .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

PRIMARY GOVERNMENT FEES

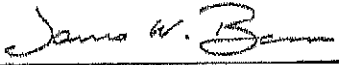
Primary Government Unit	Madison County
Audit Fee	\$ 65000
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$ varies
Writing Financial Statements	\$ 7000
All Other Non-Attest Services	\$

DPCU FEES (if applicable)

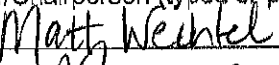
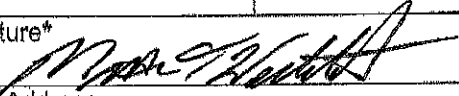
Discretely Presented Component Unit	
Audit Fee	\$
Additional Fees Not Included in Audit Fee:	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Mauldin & Jenkins, PLLC	
Authorized Firm Representative (typed or printed)* James Bence	Signature* 
Date* 04/28/23	Email Address* jbence@mjcpa.com

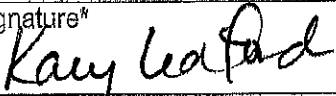
GOVERNMENTAL UNIT

Governmental Unit* Madison County	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S. 159-34(a) or G.S. 115C-447(a))	
Mayor/Chairperson (typed or printed)* 	Signature* 
Date May 9, 2023	Email Address mwechtel@madisoncountync.gov
Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

Primary Governmental Unit Finance Officer* (typed or printed) Kary Leaford	Signature* 
Date of Pre-Audit Certificate* 5/9/2023	Email Address* kleaford@madisoncountync.gov

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).
Not applicable to hospital contracts.

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all
required signatures prior to submission.

PRINT

**CONTRACT ADDENDUM
FOR CONTRACTS WITH ANY DEPARTMENT OF
MADISON COUNTY GOVERNMENT**

CONTRACTOR: Mandarin Jenkins, PLLC
COUNTY DEPARTMENT: Finance Office
SUBJECT OF CONTRACT: Audit
DATE/TERM OF CONTRACT: May 9, 2023

Notwithstanding any provision contained in the above-referenced Contract or Agreement which may be to the contrary, the following provisions are incorporated and shall apply, supplant and control:

Non-appropriation clause. Contractor acknowledges that Madison County is a governmental entity, and the contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of Madison County's obligation under this contract, then this contract shall automatically expire without penalty to Madison County thirty (30) days after written notice to Contractor of the unavailability and non-appropriation of public funds. It is expressly agreed that Madison County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure during a substantial fiscal crisis, which affects generally its governmental operations. In the event of a change in the Madison County's statutory authority, mandate and mandated functions, by state and federal legislative or regulatory action, which adversely affects Madison County's authority to continue its obligations under this contract, then this contract shall automatically terminate without penalty to Madison County upon written notice to Contractor of such limitation or change in Madison County's legal authority.

Dispute Resolution/Jurisdiction/Venue. Any dispute arising under this Agreement may be settled by mediation in the State of North Carolina in accord with such procedures as may be available to units of local government under state law. No other dispute resolution procedures shall apply. Jurisdiction for any legal proceedings concerning this contract or agreement shall be state courts in the State of North Carolina. Venue for such proceedings shall be Madison County.

No pledge of taxing authority. No deficiency judgment may be rendered against Madison County or any agency of Madison County in any action for breach of a contractual obligation under this contract. The taxing power of the Madison County is not pledged directly or indirectly to secure any monies due under this contract.

No waiver of governmental immunity; Violation of law. Except for waiver of governmental immunity resulting from the execution of a valid contract, Madison County makes no other

waiver of governmental immunity. If any provision of the Contract or Agreement is in violation of any legal, statutory or state constitutional prohibition, then such provision(s) shall be unenforceable against Madison County.

Conflict of interest. If this is a contract for design, engineering, contract administration or similar services, the Contractor will not enter into contracts or agreements with third parties that may present a potential for conflict of interest between Madison County and third parties regarding the subject matter of this Contract or Agreement.

Acceleration Clause. To the extent that any provision of the contract contains any acceleration of clause provision, said clause is deemed void and unenforceable.

Assignment of Rights. Neither party shall sign its rights under this contract without the express written agreement of the other party.

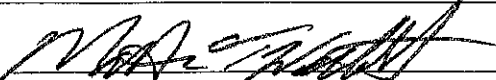
Indemnity, Hold Harmless, Assumption of Risk. To the extent that any provision of the Contract allows for any limitations on the Contractors liability, any waiver in the limits of the County's liability, and/or any hold harmless or indemnification clauses in favor of the Contractor, those provisions are only effective and enforceable in the manner and to the extent provided by NC Law.

Default and Remedies. To the extent that any provision of the Contract addresses default and remedies, then those provisions are stricken in their entirety and are replaced with the following: "County and Contractor, in the event of default, shall have as remedies only those remedies provided by law relative to units of local government in the state of NC."

Compliance with E-Verify requirements. As a condition of payment for services rendered under this agreement, Contractor shall comply with the requirements of Article 2 of Chapter 64 of the General Statutes. Further, if Contractor provides the services to the County utilizing a subcontractor, Contractor shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes as well. Contractor shall verify, by affidavit, compliance of the terms of this section upon request by the County.

For the CONTRACTOR: _____

Title: _____

For MADISON COUNTY  _____

Title: *Chairman, BOC*

This instrument has been preaudited in the manner required by the local government budget and fiscal control act.

By:  _____
Madison County Finance Officer

Madison County NC DPS - Community Programs - County Funding Plan

Available Funds: \$ 96,465 Local Match: \$ 21,689 Rate: 20%

DPS JCPC funds must be committed with a Program Agreement submitted in NC Allies and electronically signed by authorized officials.

#	Program Provider	DPS-JCPC Funding	LOCAL FUNDING			OTHER State/Federal	OTHER Funds	Total	DPS-JCPC Program Revenue
			County Cash Match	Local Cash Match	Local In-Kind				
1	JCPC Admin	\$800					\$800		
2	EMYS Madison Team Success - Madison County Schools	\$42,995	\$8,599		\$2,556		\$54,150	21%	
3	Juvenile Mediation - Mediation and Restorative Justice Center	\$3,500	\$700				\$4,200	17%	
4	Kids at Work - Aspire Youth and Family, Inc.	\$10,000	\$2,000				\$12,000	17%	
5	Project Challenge - Project Challenge North Carolina Inc.	\$31,170	\$6,234				\$37,404	17%	
6	Sentencing Circles - Mediation and Restorative Justice Center	\$8,000	\$1,600				\$9,600	17%	
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
TOTALS:		\$96,465	\$19,133		\$2,556		\$118,154	16%	

The above plan was derived through a planning process by the Madison County Juvenile Crime Prevention Council and represents the County's Plan for use of these funds in FY 2023-2024.

Amount of Unallocated Funds _____
 Amount of funds reverted back to DPS _____
 Discretionary Funds added _____

check type initial plan update final

---DPS Use Only---

Reviewed by _____ Area Consultant _____ Date _____

Reviewed by _____ Program Assistant _____ Date _____

Verified by _____ Designated State Office Staff _____ Date _____

Lenny Park May 4, 2023
 Chairperson, Juvenile Crime Prevention Council (Date)

MA [Signature] May 9, 2023
 Chairperson, Board of County Commissioners or County Finance Officer (Date)

Dear Grantee,

It is my pleasure to inform you that the Dogwood Health Trust (“**Grantor**” or “**we**”) has approved a grant (the “**Grant**”) to your organization (together with any wholly owned Affiliate referenced in Exhibit A, “**Grantee**” or “**you**”) in the amount and for the project described in Exhibit A (the “**Project**”). Grantee shall use the Grant consistent with the purposes of Grantor’s tax-exempt mission to create a dramatically healthier region in Western North Carolina and in accordance with the terms herein.

This letter is a legally binding agreement between Grantor and Grantee (“**Agreement**”). Grantor and Grantee are each a “party” and collectively, the “parties.” The Agreement will be effective upon our receipt of this Agreement, signed by an authorized representative of Grantee. An electronic copy will suffice.

We will arrange for payment of the grant in accordance with the payment schedule set forth in in Exhibit A. Grantor will use reasonable commercial efforts to provide payment using the Grantee’s preferred payment method set forth in Exhibit B.

You will be required to submit report(s) to the Grantor on the use of and outcomes related to grant dollars. The Grantor may decline to consider grant renewals for Grantees who fail to do so. Please see Section 2 below and Exhibit A for additional information on the reporting requirement.

TERMS AND CONDITIONS

- 1. Use of Funds.** Grantee shall use the Grant, and any interest or other income generated by the grant funds, only for the purposes of the Project described in Exhibit A and in a manner consistent with the terms of this Agreement and the budget set forth in Exhibit A. All grant funds must be expended prior to the due date of the final report. Grantee must use the Grant to support one or more of the 18 counties and Qualla Boundary within the Grantor’s Region. Grantee may not make any changes (i) in the purposes for which the Grant is made or (ii) to any budget cost category that exceeds 10% in a budget year (assuming the budget set forth on Exhibit A has budget cost categories) without the Grantor’s prior written approval. Requests and approvals for amendments to any budget cost category that exceeds 10% in a budget year shall be handled pursuant to Grantor’s forms and procedures.
- 2. Reporting.** The Grantee will submit to Grantor the written reports set forth on Exhibit A detailing Grant progress from a programmatic perspective along with a report of expenditures and confirmation that Grantee is in compliance with the terms of this Agreement. Grantor will provide reporting instructions prior to the due date found in Exhibit A. As part of the financial final report, Grantee will report separately grant dollars spent by county benefited. In addition to written reports, Grantor may request

stories that illustrate Grantee's impact – either by requesting that Grantee share such stories or provide access to individual(s) to interview for stories. Grantor may also request photographs that illustrate Grantee's work. Grantee will assume responsibility for securing all required photo releases and usage rights for any images provided to Grantor and provide verification of such to Grantor upon request. Requests and approvals for amendments to the due date of the interim, progress or final report (includes narrative and financial) shall be handled pursuant to Grantor's forms and procedures.

3. **Recordkeeping.** Grantee shall treat the Grant and any interest or income generated by the Grant as restricted assets and shall maintain either a separate account for the Grant on Grantee's books or the Grant in a separate bank account. All expenditures made in furtherance of the Project shall be charged off against the Grant and shall appear on Grantee's books. Grantee shall keep adequate records to substantiate its expenditures of the Grant. Grantee shall make all books and records pertaining to the Grant available to the Grantor at reasonable times for review and audit and shall comply with all reasonable requests of the Grantor for information and interviews regarding use of the Grant. Grantee shall keep copies of all books and records related to this grant and all reports to the Grantor for at least six years after Grantee has expended the last of the Grant.
4. **Prohibited Uses.** Grantee shall not use any portion of the funds granted in a manner inconsistent with Internal Revenue Code ("IRC") Section 501(c)(3), including:
 - a. Influencing the outcome of any specific election for candidates to public office, or to carry on, directly or indirectly, any voter registration drive within the meaning of Section 4945(d)(2);
 - b. Carrying on propaganda, or otherwise attempting, to influence legislation of any kind by any governmental body or by means of a public vote, interpreted in accordance with the provisions of IRC sections 4945(d)(1) and 4945(e); or
 - c. Inducing or encouraging violations of law or public policy, or causing any private inurement or improper private benefit to occur, or taking any other action inconsistent with either Grantee's (i) status as a Section 501(c)(3) public charity, or (ii) public purposes as a governmental unit described in Section 170 (c)(1), as the case may be.
5. **Regrants/Earmarking.** Grantee may regrant or loan a part of this grant if and only if such regrants fall within the stated purpose of the grant and the Agreement or are in accordance with the charitable purposes of Grantee and Grantor. Grantee acknowledges that Grantor has not earmarked Grant funds under this Agreement for any subgrantee, borrower, or contractor of Grantee, and no agreement otherwise exists that permits the Grantor to cause the selection of any such subgrantee, borrower, or contractor. Grantee has exercised or shall exercise exclusive control, in fact, over any such selection process and has made or shall make the selection of any subgrantee, borrower, or contractor completely independently of the Grantor.

6. **No Pledge.** Neither this Agreement nor any other statement, oral or written, nor the making of any contribution or grant to Grantee, shall be interpreted to create any pledge or any commitment by the Grantor or by any related person or entity to make any other grant or contribution to Grantee or any other entity for this or any other purpose. The Grant contemplated by this Agreement shall be a separate and independent transaction from any other transaction between the Grantor and Grantee or any other entity.

7. **Representation and Warranty Regarding Tax Status.**
 - a. By entering into this Agreement, Grantee represents and warrants that Grantee is either (i) exempt from federal income tax under IRC Section 501(c)(3) and is not a private foundation within the meaning of IRC Section 509(a) nor a Type III non-functionally integrated IRC Section 509(a)(3) supporting organization or any other IRC Section 509(a)(3) supporting organization that is controlled directly or indirectly by a disqualified person with respect to Grantee or (ii) a governmental unit described in Section 170 (c)(1).
 - b. Grantee's tax status has not been revoked and, to Grantee's knowledge, Grantee is not under review or audit by the Internal Revenue Service. Upon request, Grantee will provide Grantor with current documentation of its tax status.
 - c. Grantee's receipt of the Grant and compliance with the terms of this Agreement will not cause Grantee to be in violation or conflict with the governing documents of Grantee or any law to which Grantee is subject, or to be in breach or default of any contract or license to which Grantee is a party; nor will it have any material adverse effect on Grantee's tax or legal status.
 - d. There is no pending proceeding or investigation directed at the Grantee by a federal, state, tribal, or local administrative agency or authority that could have a material adverse impact on the Grantee's ability to perform its obligations under this Agreement.
 - e. Grantee will not use Grant funds to compensate any person that Grantor has identified in writing to Grantee as a disqualified person within the meaning of IRC Section 4946.
 - f. If the Grantee is a council of government, Grantee represents and warrants that local governments fund its operations, appoint its directors, and supervise the organization.

8. **Notice.** Grantee shall give the Grantor immediate written notice upon the occurrence of any of the following: (i) any change in either Grantee's tax-exempt or public charity status, or its status as a governmental unit described in Section 170 (c)(1), as the case may be; (ii) a proceeding or investigation directed at the Grantee or an employee, director or officer of the Grantee by a federal, state, tribal, or local administrative agency or authority ("**Government Proceeding**") that could have a material adverse impact on

the Grantee's ability to perform its obligations under this Agreement; or (iii) a Government Proceeding related to a claim alleging the diversion of grant funds to a non-charitable purpose, financial impropriety, fraud or breach of fiduciary duty. Written notification will be provided to the General Counsel of Dogwood Health Trust at impactgrants@dht.org.

9. **Publications; License.** Any information contained in publications, studies, or research funded by this grant shall be made available to the public following such reasonable requirements or procedures as the Grantor may establish from time to time. Grantee grants to the Grantor a perpetual, irrevocable, fully-paid up, royalty-free, nonexclusive license to publish, use, distribute, reproduce, copy, and prepare derivative works based upon any publications, studies, or research funded by this grant at the sole discretion of the Grantor.
10. **Grant Announcements and Communications.** Grantee shall submit in advance to the Grantor, for review and revision at the sole discretion of the Grantor, any press releases or external announcements Grantee intends to make regarding the grant, and any publications referring to the grant Grantee intends to publish, other than in its internal publications (annual reports, newsletters, etc.), organizational social media, or tax returns. The Grantor, in its sole discretion, may include information on the grant in its newsletters, website, social media and periodic public reports.
11. **Terrorist Activity.** Grantee warrants that it does not support or conduct, directly or indirectly, violence or terrorist activities of any kind.
12. **Liability.** Grantee agrees that, to the extent permitted by North Carolina Tort Claims Act, Grantee will be solely responsible for its acts and omissions in carrying out the activities and purposes of the Grant.
13. **No Agency.** Grantee and not the Grantor is solely responsible for all activities supported by the Grant, the content of any product created with the grant funds, and the manner in which such products may be disseminated. This Agreement shall not create any agency relationship, partnership, or joint venture between the parties, and Grantee shall make no such representation to anyone.
14. **Assignment.** Grantee may not assign any rights or delegate any obligations created by this Agreement, in whole or in part, whether by operation of law or otherwise, without the prior written consent of Grantor. Any assignment in violation of the foregoing is null and void. This Agreement will be binding upon the successors, legal representatives and permitted assigns of the parties.
15. **Waivers.** The failure of the Grantor to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.
16. **Remedies.** Grantee shall repay to the Grantor any portion of the Grant which is not spent or committed for the charitable purposes of this Agreement. If the Grantor determines, in

its sole discretion, that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited to failure to submit reports when due, the Grantor may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee under this or any other grant agreement, and the Grantor may demand the return of all or part of the unexpended Grant, which Grantee shall immediately repay to the Grantor. Grantor may, in its sole discretion, discontinue or suspend funding if making such payment might, in the judgment of the Grantor, expose the Grantor to liability, adverse tax consequences, or constitute a taxable expenditure. The Grantor may also avail itself of any other remedies available by law.

17. **Captions.** All captions and headings in this Agreement are for the purposes of reference and convenience only. They shall not limit or expand the provisions of this Agreement.
18. **Entire Agreement.** This Agreement supersedes any prior or contemporaneous oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to its subject matter. This Agreement may not be amended or modified, except in a writing signed by both parties.
19. **Survival.** A party's obligations under this Agreement that by their nature are intended to survive termination or expiration of this Agreement shall so survive.
20. **Governing Law.** This Agreement shall be governed by the laws of the State of North Carolina applicable to contracts to be performed entirely within the State. For the purpose of any action or proceeding arising out of or relating to this Agreement, each of the parties hereto irrevocably (a) submits to the exclusive jurisdiction of the state courts of North Carolina and to the jurisdiction of the United States District Court for the Western District of North Carolina and (b) agrees that all claims in respect of such action or proceeding shall be heard and determined exclusively in any North Carolina state or U.S. federal court sitting in the County of Buncombe, North Carolina.

Please have an authorized officer of your organization sign this Agreement and return it to the Grantor. You may return the signed Agreement via AdobeSign, or send it to finance@dht.org or 890 Hendersonville Rd, Suite 300, Asheville, NC 28803. Please keep a copy of the signed Agreement for your files.

If you have any questions concerning this grant or the grant agreement, please don't hesitate to email impactgrants@dht.org or contact your DHT Community Investment Team contact.

On behalf of Dogwood Health Trust's Board and staff, let me express how delighted we are to support your organization. We wish you every success.

Sincerely,

Dogwood Health Trust

Susan Mims
Susan Mims (May 1, 2023 07:54 EDT)

Authorized Signature

Susan Mims, MD, MPH

Name

President & CEO

Title

May 1, 2023

Date

Accepted on behalf of organization by:



Authorized Signature

Date: May 9, 2023

Matt Wechtel

Name

Chairman, Board of Commissioners

Title

EXHIBIT A

Grantee legal name: County of Madison

Tax ID Number: 56-6000316

Type of organization: Government Entity

Organization contact: Mr. Rod Honeycutt, Interim County Manager

Grant contact: Ross Young, Project Manager

Dogwood Strategic Priority: Health & Wellness

Project title: Madison County Child Welfare Adjudication Support

Project:

Grantee seeks to reduce some of the access and timing challenges with child welfare adjudication by enabling remote participation in judicial court activities and connecting county courts to the state judicial system. To achieve this public purpose, grant funds will be used to cover county-specific costs for technology and equipment that will enable Grantee to fully participate in the WAVE (Wireless Access for Virtual Efficiency) and CRAVE (Court Room Audio Visual Experience) projects that the state of North Carolina is implementing. Grantee will also require a county staff person to participate in a 2-year cohort with other DSS and county leaders to work on remedying this issue.

Grant amount: \$43,000.00

Payment schedule:

The entire grant amount set forth above will be disbursed within 30 days of Grantor's receipt of this signed grant agreement.

Budget: \$43,000 to cover county-specific costs for-CRAVE/WAVE technology/equipment including cabling, set-up and other related fees

Reporting requirements:

Grantee will submit mid-year reports ("Interim Reports") and end-of-year reports ("Progress Reports") to Dogwood Health Trust for the duration of this grant, as well as a final narrative and financial report ("Final Report") at the end of the grant period. Interim Reports must provide highlights and difficulties faced in the interim six-month period. Progress Reports and the Final Report must detail the grant progress and include information on the following output and outcome measurements, including progress toward targets where listed:

Outputs:

- installation of CRAVE/WAVE equipment*
- narrative outlining the efficiencies achieved with the new technology*
- stories of individuals/children who had a more positive court experience.*

Outcomes:

- Increase in # of remote hearings*
- increase in the # of individuals reporting a positive court experience*

Interim report	Due Date: 9/15/2023
Progress report	Due Date: 3/15/2024
Interim report	Due Date: 9/15/2024
Final Report (narrative and financial)	Due Date: 3/15/2025

As part of the narrative final report, Grantee will report percent of grant funds spent by county, including the Qualla Boundary. This figure may be an estimate based on a good-faith approximation of the geographic breakdown of work completed.

EXHIBIT B

Please choose your payment method and provide the required details below.

Select...

Wire or ACH (PREFERRED)

<i>Bank / Institution Name</i>	
<i>ABA # (for Wire) or Routing # (for ACH)</i>	
<i>Account #</i>	

E-check, sent via email

<i>Email Address</i>	
----------------------	--

Paper check, sent via USPS

<i>Mailing Address</i>	
<i>City, State, Postal Code</i>	

For grants paid in installments, your Dogwood Impact Team contact will work with you to confirm that all requirements for subsequent payments have been met and confirm payment details at that time.



Madison County Commissioners Meeting

Public Comment

May 9, 2023
7:00pm

North Carolina Cooperative Extension-Madison County Center

3 Minute Time Limit

----- Public Comment Sign-In Sheet -----

	Name	Signature
1.	<i>Tommy Ponder</i>	<i>Anthony E. Ponder</i>
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		



Madison County Commissioners Meeting

Public Hearing-Biomass Energy Facility Moratorium Ordinance Extension

Public Comment

May 9, 2023

7:00pm

North Carolina Cooperative Extension-Madison County Center

3 Minute Time Limit

----- Public Comment Sign-In Sheet -----

Name

Signature

1. LANG WORTHALL

2. Jim Tibbets

3.

4.

5. JEN BARNHART - US FOREST RANGER

6. NICK BREMILLER

7.

8. Glenn Ponder - NO?

9.

10. Maxine Dalton - IN FAVOR OF MORATORIUM

11.

12.

13.

14.

15.

16.

17.

18.

19.

20.

**AN ORDINANCE OF THE COUNTY OF MADISON EXTENDING A LIMITED
MORATORIUM ON BIOMASS ENERGY-RELATED DEVELOPMENT**

WHEREAS, the County of Madison, North Carolina (the "County") is experiencing significant real estate development and population growth within its boundaries;

WHEREAS, the County recently completed an update to its Comprehensive Plan, which provides recommendations to manage future growth in the County;

WHEREAS, as part of the process for updating the Comprehensive Plan County, staff hosted a number of community listening sessions regarding the direction the County should take with development in the future, and numerous members of the public spoke about the need to preserve the scenic and recreational assets of the County and ensure that they can continue to provide for a wide variety of economic development opportunities;

WHEREAS, within the past several months, County staff have received inquiries about the siting of biomass energy facilities within the County;

WHEREAS, the County's Planning Board considered the addition of land-use standards for biomass energy facilities at meetings in July and August of this year and received an extensive public comment in opposition to such facilities;

WHEREAS, the Planning Board unanimously recommended that a moratorium be implemented to provide staff with adequate time to develop land-use standards that would allow for the appropriate regulation and siting of such facilities;

WHEREAS, the existing zoning and development regulations within the County are not compatible and congruous with the impacts articulated by biomass energy facilities and the Comprehensive Plan;

WHEREAS, the County has and is currently working on amendments to its land use regulations that would address the siting of biomass energy facilities;

WHEREAS, allowing certain development activities to occur prior to the adoption of the anticipated amendments to the County's land use regulations is an inadequate alternative to a moratorium because it may result in development and land uses that are incompatible and incongruous with current residential development and the Comprehensive Plan's goals, standards, and guidelines;

WHEREAS, proactively rezoning or removing problematic uses without a comprehensive analysis of where those uses should be located within the County is an inadequate alternative to a moratorium because it could also result in development and land uses that are incompatible and incongruous with the Comprehensive Plan's goals, standards, and guidelines;

WHEREAS, the County will need time to evaluate the best location and conditions for biomass energy facilities;

WHEREAS, the County should be able to amend land use regulations within twelve (12) months from the enactment of a moratorium;

WHEREAS, the goals, standards, and guidelines in the County's Comprehensive Plan would be best achieved if certain development within the areas identified in this Ordinance is temporarily halted during the period when amendments to the land use ordinances are considered;

WHEREAS, a temporary moratorium would provide County staff with the time needed to determine the appropriate zoning necessary to address the likely impacts of any future biomass energy facilities;

WHEREAS, the purpose of this Ordinance is to preserve the status quo of existing land uses and development patterns, as well as promote the health, safety, morals, and general welfare of the citizens of the County by providing time for staff to develop policy options to mitigate and abate the traffic, noise, light, air, and other polluting emissions that are associated with biomass facilities;

WHEREAS, County staff will propose and finalize changes to the County's land use regulations to address biomass energy facilities and present those plans to the relevant bodies for consideration and approval prior to the expiration of the moratorium established in this Ordinance to address the problems and conditions leading to the imposition of the moratorium.

NOW, Therefore be ordained and established, by the Commissioners of the County of Madison, North Carolina, that:

Area – This Ordinance shall be applicable to all property within the County of Madison.

Duration – This Ordinance shall be effective and enforceable from the date of adoption and shall continue in full force and effect for an extended period of twelve (12) months from the date of adoption, which is the estimated time necessary for the County to complete and adopt amendments to its land use ordinances to address the anticipated impacts of biomass facilities within the County. The County Commissioners may renew this moratorium or extend its duration, as necessary, consistent with the requirements of N.C. Gen. Stat. § 160D-107(e). The County Commissioners may also terminate this moratorium earlier than indicated in this Ordinance by action of the County Commission.

Moratorium – From and after the effective date of this Ordinance and continuing through its duration, no Development shall occur in the County's: Agricultural-Open Space (AO), Residential-Agricultural (RA), Residential (R-1), Residential-Resort (R-2), Neighborhood Commercial (N-C), Commercial Mixed Use (CMU), Commercial (CD), or Industrial (I) districts, unless it can be demonstratively shown to the County Commissioners that the health, safety, or welfare of the public requires that the moratorium be waived with regard to that specific Development project. This moratorium prohibits the approval, denial, or consideration of all development approvals related to any Development within the above-listed districts.

Definitions – As used in this Ordinance, the terms listed below shall have the following meaning:

DEVELOPMENT: Unless the context clearly indicates otherwise, the term means the following:

The construction, erection, alteration, enlargement, renovation, substantial repair, movement to another site, demolition of any structure, excavation, grading, filling, clearing, alteration of land, subdivision of land as defined in N.C. Gen. Stat. § 160D-802, or initiation or substantial change in the use of land or the intensity of use of land related to any of the following uses:

Biomass Energy – any commercial or manufacturing facility that converts organic matter, commonly known as biomass or feedstock, into electricity, heat, or transportation fuels, e.g., biofuels. Biomass includes facilities that store organic matter that is intended to be or is eventually converted into

electricity, heat, or transportation fuel, as well as facilities that convert organic matter into other products that are then converted into electricity, heat, or transportation fuel, including, but not limited to, wood fuel pellets.

Enforcement – If any person, firm, corporation, organization, or association violates or attempts to violate any terms of this ordinance, the County may enforce its terms by any means available to it by law, including those provided in N.C. Gen. Stat. § 160D-404.

Exclusions – In accordance with N.C. Gen. Stat. § 160D-107(c), absent an imminent threat to public health or safety, the Development moratorium adopted pursuant to this Ordinance shall not apply to:

- A. Any project for which a special use permit application has been accepted as complete;
- B. To development set forth in a site-specific vesting plan approved pursuant to G.S. 160D-108.1;
- C. To development for which substantial expenditures have already been made in good-faith reliance on a prior valid development approval;
- D. To sketch plans or preliminary or final subdivision plats that have been accepted for review by the County prior to the call for a hearing to adopt the moratorium.
- E. Repairs to existing buildings regulated by the North Carolina State Building Codes; and
- F. Site improvements for existing Biomass use are required to comply with the Americans with Disabilities Act.

Notwithstanding the foregoing, if a complete application for development approval has been submitted prior to the effective date of this moratorium, the permit choice provisions of N.C. Gen. Stat. § 160D-108(b) shall be applicable when permit processing resumes. This allows an applicant to choose which version of the development regulation will apply if development regulations change between the time the application is submitted and when the decision is made.

THIS ORDINANCE passed and adopted this the 9 day of May 2023.

COUNTY OF MADISON COUNTY COMMISSIONERS

(COUNTY SEAL)




Chair, County Commissioners

Attest:



Clerk, County Commissioners



County Attorney

**Madison County
Board of Commissioners**

**Budget Amendment #10b
April 25, 2023**

Description	Line Item	Debit	Credit
Management Administration			
Arpa LATCF Capital	10.5211.5110		\$ 120,000.00
Parks and Recreation			
Ballfield Improvements	10.6130.3640	\$ 120,000.00	

**Madison County
Board of Commissioners**

**Budget Amendment #11
May 9, 2023**

Description	Line Item	Debit	Credit
Tax Collection			
2016 Ad Valorem Taxes	10.3100.2016		\$ 1,500.00
2017 Ad Valorem Taxes	10.3100.2017		\$ 6,000.00
2018 Ad Valorem Taxes	10.3100.2018		\$ 9,000.00
2019 Ad Valorem Taxes	10.3100.2019		\$ 4,000.00
2021 Ad Valorem Taxes	10.3100.2021		\$ 20,000.00
2023 Ad Valorem Taxes	10.3100.2023		\$ 17,000.00
Interest	10.3100.1700		\$ 32,000.00
Adjust to actual			
Emergency Mgmt.			
Salaries: Temp	10.4330.1260	\$ 500.00	
EMP Optionals	10.4330.4605		\$ 500.00
EMP Optionals	10.3433.3310		\$ 18,406.77
DSS			
Salaries	10.5310.1210		\$ 10,000.00
Salaries: Temp	10.5310.1260	\$ 10,000.00	
Janitorial Supplies	10.5310.2110	\$ 250.00	
Copy Machine Exp	10.5310.2620		\$ 600.00
Travel	10.5310.3110	\$ 600.00	
Postage Meter	10.5310.4320	\$ 130.00	
Repairs and Maintenance	10.5310.3520		\$ 130.00
Repairs and Maintenance	10.5310.3510		\$ 250.00
LIEAP	10.5481.6795	\$ 64,300.00	
DSS Administration	10.3510.3300		\$ 64,300.00
Additional LIEAP funding recorded			
Transportation			
Salaries	10.4522.1210	\$ 6,255.60	
FICA	10.4522.1810	\$ 478.55	
Trans (Medicaid)	10.3472.5310		\$ 6,734.15
New position to be funded by new revenue			
Sheriff Department			
Salaries	10.4310.1210	\$ 9,922.91	
Overtime Salary	10.4310.1300		\$ 9,922.91
Gun Permits	10.3431.2500		\$ 13,000.00

OutReach	10.3431.2900		\$	1,075.00
Housing State Inmate	10.3431.3000		\$	97,248.00
Housing Inmates	10.3431.3010		\$	30,000.00
Vehicle Impound	10.3431.8100	\$	200.00	
Professional Services	10.4310.1990	\$	3,000.00	
Feeding Prisoners	10.4310.2210	\$	15,000.00	
Motor Fuels	10.4310.2510	\$	25,000.00	
License, Tags, Fees	10.4310.2540	\$	4,000.00	
Office Supplies	10.4310.2610	\$	1,500.00	
Jail Supplies	10.4310.2990	\$	1,000.00	
Telephone	10.4310.3210	\$	5,000.00	
Electricity	10.4310.3310	\$	5,000.00	
Building Maintenance	10.4310.3510	\$	11,016.00	
Capital Outlay	10.4310.5130	\$	70,607.00	
Adjust for actual				

Health Department

Building Maintenance	10.5110.3510	\$	30,000.00	
Triple P (carryforward fy22)	10.5110.3401	\$	11,159.77	
Medicaid Immunization	10.3513.3520		\$	2,070.00
Medicaid Adult Health	10.3513.3528		\$	7,626.00
Janitorial Supplies	10.5110.2110	\$	1,500.00	
Telephone Service	10.5110.3210	\$	3,600.00	
Lab	10.5110.6220	\$	3,000.00	
Medical Supplies	10.5110.2381	\$	1,596.00	
DFC	10.5120.7015	\$	10,703.00	
DFC	10.3513.7015		\$	10,703.00
Addition to building				

Register of Deeds

Fees	10.3418.4100		\$	45,000.00
Conveyance Tax	10.4180.6140	\$	45,000.00	
Computer System	10.4185.1990	\$	1,675.00	
Transfer from Automation Fund	10.9900.0045		\$	1,675.00
Adjust for actual				

Tax Office

Salaries	10.4141.1210		\$	7,461.00
Salaries Temp	10.4141.1260	\$	7,461.00	
Adjust to actual				

Library

Friends of Library	10.3611.4420		\$	1,162.80
Donations	10.3611.4116		\$	900.00
Books	10.6110.5610	\$	1,162.80	
Adult Programming	10.6110.5650	\$	900.00	
Donations				

Inspections

Fees	10.3435.4100		\$	40,000.00
------	--------------	--	----	-----------

Zoning	10.3435.4110		\$	1,500.00
Adjust to actual				

Solid Waste Department

Disposal Cards	80.3472.8110		\$	186,569.00
State Tire	80.3472.4130		\$	2,854.00
Local Tire	80.3472.4140		\$	1,526.00
Recyclables	80.3472.8101		\$	3,885.00
C& D	80.3472.8120		\$	1,796.00
White goods	80.3472.4180		\$	555.00
Post Closure Costs	80.4720.0180	\$	30,000.00	
Capital Centers	80.4720.5110	\$	30,000.00	
Capital Equipment	80.4720.5520	\$	77,185.00	
Capital Vehicle	80.4720.5410	\$	60,000.00	
Adjusting to actual				

Parks and Recreation

Rental	10.3552.3300		\$	3,395.00
Adjust to actual				

Soil and Water Fund

Transfer from Fund Balance	33.3000.1000		\$	12,000.00
SWCD General Fund	33.4965.5000	\$	12,000.00	

ARPA Fund

Transfer out of Arpa	36.9900.0036	\$2,062,827.00		
Arpa Funds	36.3836.7000		\$	2,062,827.00
Transfer into General Fund	10.9900.0036		\$	2,062,827.00
Supplant remaining ARPA funds				

Education/Schools

Timber Receipts	10.3313.2400		\$	9,253.97
Timber Receipts	10.5911.6700	\$9,253.97		

Sales Tax

1/4 cent sales tax	10.3232.3115			\$49,967.58
--------------------	--------------	--	--	-------------

Education/Schools

1/4 cent sales tax	10.5911.7200	\$49,967.58		
--------------------	--------------	-------------	--	--

Contingency

	10.7000.0000	\$	2,174,469.00	
--	--------------	----	--------------	--

We are at 83.3% of the FY23 budget.

Bank balances at April 30, 2023 are as follows:

	Unrestricted	Restricted
General Fund	\$ 2,055,088.43	
Debt Service Fund	\$ 48,558.04	
Capital Outlay Fund	\$ 326,292.42	
Capital Management	\$ 18,378,991.87	\$ 1,729,224.81
Occupancy Tax Fund		\$ 83,659.51
Revaluation Fund		\$ 80,715.45
Tourism Development		\$ 1,798,324.88
Automation Fund		\$ 156,514.66
Drug Seizure Fund		\$ 6,763.35
Inmate Trust Fund		\$ 32,723.80
Soil & Water Conservation		\$ 42,641.54
Oploid Settlement		\$ 188,548.82
Courthouse SCIF Grant GPO		\$ 3,748,833.68
Arpa Cash Management Fund	\$ 1,483,772.00	\$ 2,268,020.88

Total of All Accounts:	\$ 22,292,702.76	\$ 10,145,971.88
------------------------	------------------	------------------

New Jail Loan	\$ -	(Due In February)
School Debt Service	\$ -	(Due In February)
40-42 Set Aside for Schools	\$ (1,750,924.20)	
Unspent Grant/Restricted Proct	\$ (12,153.64)	
Adoption Promotion Fund	\$ (94,219.87)	
Encumbered Amounts	\$ (1,366,710.80)	
911 Funds	\$ (517,644.86)	
Goldenleaf Funds	\$ (83,900.00)	
Arpa Funds	\$ (2,162,827.00)	
Total assigned and restricted Bt	\$ (5,988,380.37)	

	General	Landfill
Unassigned and Unrestricted to	\$ 6,158,351.01	\$ 752,947.26

SUMMARIES:

Percentage of budget at April 30, 2023 is:

All Funds:		YTD
Revenues	\$ 2,248,545.96	\$ 31,194,422.23
Expenditures	\$ 2,913,386.76	\$ 24,593,625.90

General Fund	MTD	YTD	Encumbered	% OF BUDGET	Year to Date 04/22
Revenues to Date:	\$ 2,166,854.57	\$ 28,379,259.20		82.04	\$ 27,820,380.85
Expenditures to Date:	\$ 2,732,486.32	\$ 22,528,585.80	\$ 1,153,646.80	65.25	\$ 20,813,178.77
Gain/Loss to Date:	\$ (565,631.75)	\$ 5,850,673.40			\$ 7,007,202.08

Contingency

Landfill	MTD	YTD	Encumbered	% OF BUDGET	Year to Date 04/22
Revenues to Date:	\$ 79,370.97	\$ 2,805,473.98		111.13	\$ 2,717,003.48
Expenditures to Date:	\$ 178,580.02	\$ 1,940,587.83	\$ 213,064.00	76.87	\$ 1,870,242.34
Gain/Loss to Date:	\$ (99,209.05)	\$ 864,886.15			

Contingency

911 Emergency Telephone Serv	MTD	YTD		% OF BUDGET	Year to Date 04/22
Revenues	\$ 9,462.02	\$ 9,689.05		78.45	\$ 117,771.91
Expenditures	\$ 2,320.42	\$ 124,452.27		49.64	\$ 59,929.74
Gain/Loss	\$ 7,141.60	\$ (114,763.22)			\$ 57,842.17

Contingency \$-

GENERAL FUND:

DEPARTMENT	MTD	YTD	% OF BUDGET	Year to Date 04/22
Vehicle Tax	\$ 109,168.07	\$ 1,007,818.71	89.68	\$ 820,029.91
Overages/Underages				
Ad Valorem Tax Interest	\$ 20,569.25	\$ 260,429.11	114.06	\$ 229,796.07
Late Listing Fee	\$ 654.73	\$ 22,490.67	130.76	\$ 20,748.64
Legal Fees				
2011 Ad Valorem Tax	\$ 7.00	\$ 2,921.17	116.21	\$ 5,782.82
2012 Ad Valorem Tax	\$ 138.21	\$ 6,411.44	106.86	\$ 8,041.72
2013 Ad Valorem Tax	\$ 73.69	\$ 8,243.17	103.04	\$ 10,137.86
2014 Ad Valorem Tax		\$ 9,089.74	113.62	\$ 9,573.46
2015 Ad Valorem Tax	\$ 27.02	\$ 12,159.74	105.37	\$ 11,131.60
2016 Ad Valorem Tax	\$ 429.88	\$ 20,323.66	107.09	\$ 20,200.22
2017 Ad Valorem Tax	\$ 3,103.05	\$ 32,124.76	126.29	\$ 40,092.84
2018 Ad Valorem Tax	\$ 8,856.60	\$ 57,934.81	122.23	\$ 64,113.71
2019 Ad Valorem Tax	\$ 7,350.20	\$ 74,358.17	106.23	\$ 104,240.37
2020 Ad Valorem Tax	\$ 6,689.96	\$ 103,938.46	103.94	\$ 243,801.98
2021 Ad Valorem Tax	\$ 20,774.08	\$ 231,973.60	108.91	\$ 12,132,323.87
2022 Ad Valorem Tax	\$ 119,357.68	\$ 12,543,956.84	100.79	\$ 12,589.76
2023 Ad Valorem Tax	\$ 958.77	\$ 16,638.85		
Collection Fees: Marshall				
Collection Fees: Mars Hill				
Collection Fees: Hot Springs				
Sale of Tax Maps	\$ 32.50	\$ 542.50	200.93	\$ 536.50
Tax Office Copies				
Returned Check	\$ 368.54	\$ 3,594.74		\$ 2,590.85
Refunds/Overpayment of Taxes				
Contra: Returned Check				
Sale of Foreclosed Property		\$ 2,777.00		\$ 151,300.00
Contra: Foreclosed Property Expenses				
Sales Tax/Video Programming				
Sales Tax	\$ 572,455.12	\$ 4,844,175.45	89.47	\$ 3,688,628.92
Gas Tax Refund/State		\$ 17,796.52	71.19	\$ 13,342.31
Payment In Lieu of Taxes		\$ 6,141.85	122.84	
Forest Service Timber Sales				
Clerk of Court	\$ 8,832.62	\$ 63,414.28	88.08	\$ 61,845.69
Board of Elections				
Register of Deeds	\$ 31,348.75	\$ 436,681.75	106.99	\$ 533,201.65
Sheriff's Department	\$ 118,472.33	\$ 1,569,591.35	79.85	\$ 1,352,575.73
Emergency Management		\$ 18,406.77	100.00	\$ 12,695.45
Inspections	\$ 18,837.59	\$ 301,882.02	114.68	\$ 225,572.68
Animal Control	\$ 518.00	\$ 18,310.33	77.92	\$ 48,161.00
Transportation	\$ 17,233.45	\$ 327,571.86	50.80	\$ 264,454.81
Cooperative Extension Service				
Soil & Water Conservation				
Grant Revenues/JCPC/DJJD	\$ 8,035.00	\$ 371,161.32	14.77	\$ 291,955.00

DEPARTMENT	MTD	YTD	% OF BUDGET	Year to Date 04/22
Health Department	\$ 181,984.96	\$ 1,935,198.74	71.35	\$ 2,295,926.69
Medicaid Hold Harmless Tax		\$ 20,440.87		\$ 86,912.75
Social Services	\$ 104,515.14	\$ 1,416,727.44	55.77	\$ 1,615,784.71
AFDC				
Foster Care		\$ 167,102.41	24.12	\$ 278,970.44
Medicaid				\$ 370.00
Adoption		\$ 12,000.00	5.82	\$ 7,650.00
Child Support Enforcement	\$ 8,311.42	\$ 66,014.07	64.17	\$ 66,503.73
In Home Aides	\$ 1,940.25	\$ 29,511.25	38.33	\$ 42,889.21
Beech Glen Center	\$ 855.00	\$ 8,395.00	167.90	\$ 6,029.00
Nutrition	\$ 14,694.00	\$ 124,565.03	66.91	\$ 135,333.24
State Lottery Funds/Education	\$ 690,114.26	\$ 997,864.76	100.00	
Library	\$ 7,471.51	\$ 165,233.21	82.15	\$ 81,119.27
Parks & Recreation		\$ 7,150.00	57.85	\$ 68,331.00
Interest Earned	\$ 79,954.49	\$ 497,649.65	297.62	\$ 5,150.72
Rent of County Property	\$ 5,627.50	\$ 46,875.00	71.31	\$ 52,110.00
Finance/Other	\$ 5,692.69	\$ 20,425.45	92.84	\$ 21,416.83
Miscellaneous Income		\$ 111,969.24	159.54	\$ 2,188,091.99
Fund Transfer In				
Totals	\$ 2,166,854.57	\$ 28,379,259.20	82.04	\$ 27,820,380.85

GENERAL FUND EXPENDITURES

DEPARTMENT	MTD	YTD	Encumbered	% OF BUDGET	Year to Date 04/22
Governing Body	\$ 10,133.06	\$ 116,192.52		49.60	\$ 81,352.22
Finance Office	\$ 40,862.25	\$ 534,214.75	\$ 1,655.00	65.43	\$ 474,792.00
Tax Collector	\$ 16,563.97	\$ 253,240.25		78.27	\$ 199,321.47
Tax Supervisor	\$ 13,254.06	\$ 160,099.50		61.67	\$ 174,003.23
Land Records	\$ 11,646.47	\$ 73,702.49		75.22	\$ 68,258.45
Professional Services		\$ 21,600.00		33.23	\$ 19,725.00
Court Facilities	\$ 289.40	\$ 6,171.20		18.75	\$ 6,412.55
Board of Elections	\$ 8,850.44	\$ 134,856.65		52.91	\$ 155,698.32
Register of Deeds	\$ 46,073.71	\$ 320,827.93	\$ 6,808.50	91.14	\$ 349,974.92
Register of Deeds- Automation		\$ 12,674.12	\$ 1,675.00	105.62	\$ 14,979.98
Custodial	\$ 10,398.37	\$ 74,425.73		79.50	\$ 61,672.17
Maintenance	\$ 67,438.00	\$ 514,539.58	\$ 50,798.00	44.57	\$ 363,243.44
Sheriff's Department	\$ 409,384.47	\$ 3,745,537.33	\$ 2,586.00	78.05	\$ 3,688,089.89
Emergency Management	\$ 9,439.81	\$ 93,381.99	\$ 25,000.00	59.15	\$ 109,187.32
911 Dispatchers	\$ 38,018.34	\$ 615,791.81	\$ 730.00	79.42	\$ 576,846.52
Fire Contract/Forest Service		\$ 57,148.65		54.17	\$ 49,467.52
Inspections	\$ 24,760.34	\$ 281,219.85		60.52	\$ 290,784.46
Economic Development	\$ 7,816.82	\$ 92,788.54		35.30	\$ 74,642.97
Medical Examiner	\$ 6,250.00	\$ 16,700.00		83.50	\$ 12,550.00
Ambulance Service Contract	\$ 142,916.67	\$ 1,429,166.70	\$ 293,334.00	82.97	\$ 1,429,166.70
Animal Control	\$ 25,988.81	\$ 258,811.98	\$ 23,727.00	64.15	\$ 279,375.89
Transportation - Admin	\$ 9,137.41	\$ 105,811.84		82.56	\$ 107,474.71

DEPARTMENT	MTD	YTD	Encumbered	% OF BUDGET	Year to Date 04/22
Transportation - Operating	\$ 39,298.67	\$ 406,062.21	\$ 5,067.95	60.72	\$ 350,136.86
Transportation - Capital Outlay		\$ 86,766.00	\$ 69,550.00	54.98	
Transportation - EDTAP	\$ 27.45	\$ 605.25		30.26	\$ 339.30
Planning & Development		\$ 81,937.26		29.01	\$ 77,288.86
Information Technology	\$ 14,249.99	\$ 228,999.22	\$ 3,699.00	78.21	\$ 202,408.76
Cooperative Extension	\$ 21,566.06	\$ 226,879.44		66.52	\$ 226,035.39
Soil & Water	\$ 20,872.89	\$ 121,095.82		70.30	\$ 117,164.83
Health Department	\$ 290,411.09	\$ 2,833,424.83	\$ 124,107.00	71.14	\$ 2,819,065.78
Drug Free Community	\$ 11,975.38	\$ 100,623.20	\$ 2,125.00	80.36	\$ 74,507.81
MHAT	\$ 5,197.91	\$ 18,174.21		29.08	
Management Admin.	\$ 4,117.00	\$ 243,818.94		10.19	\$ 239,701.53
Social Services	\$ 176,883.70	\$ 2,001,189.84		61.17	\$ 2,189,866.87
AFDC		\$ 1,643.53		20.54	\$ 612.27
Special Assistance	\$ 7,786.31	\$ 71,629.81		65.12	\$ 70,287.61
State Foster Care	\$ 14,818.00	\$ 121,016.73		17.29	\$ 145,227.62
Foster Care Program	\$ 8,103.55	\$ 92,912.15		22.66	\$ 203,582.42
Medical Assistance Program	\$ -	\$ 20.00		4.00	
Adoption Assistance	\$ 14,827.56	\$ 159,238.56		57.19	\$ 91,457.78
Crisis Intervention	\$ 61,800.00	\$ 178,767.53		76.48	\$ 173,125.53
Child Support	\$ 8,256.98	\$ 82,207.11	\$ 9,404.45	60.79	\$ 82,330.72
In Home Aides	\$ 9,663.77	\$ 8,669.41		47.76	\$ 73,749.47
Nutrition	\$ 39,266.98	\$ 444,614.87		63.30	\$ 461,036.08
Education	\$ 1,007,926.26	\$ 5,171,518.50	\$ 510,624.00	88.20	\$ 3,875,958.05
A-B Technical College	\$ 9,542.00	\$ 95,420.00	\$ 9,542.00	83.34	\$ 95,420.00
Bank Charges	\$ 1,712.00	\$ 15,592.58		86.63	\$ 10,672.72
Library	\$ 45,692.43	\$ 535,138.33	\$ 13,213.90	73.86	\$ 468,389.89
Parks & Recreation	\$ 19,262.94	\$ 147,677.06		68.43	\$ 147,560.24
Debt Services					
Debt Services Interest					
Fund Transfer In/ Landfill & Library					
Fund Transfer Out/Revaluation					
TOTALS	\$ 2,732,486.32	\$ 22,528,585.80	\$ 1,153,646.80	65.25	\$ 20,813,178.77

LANDFILL FUND

REVENUES	MTD	YTD	% OF BUDGET	Year to Date 04/22
Transfer From Fund Balance				
Landfill Miscellaneous Fees		\$ 19.00		
Returned Check Fees				
Surplus Property Proceeds				
State Tire Disposal Fee		\$ 20,854.33	115.86	\$ 17,750.81
Local Tire Disposal Fee	\$ 211.25	\$ 2,737.38	273.74	\$ 1,931.20
White Goods Tax		\$ 555.20		
Sale of White Goods	\$ 6,200.00	\$ 19,220.50	106.78	\$ 38,951.50
Household Hazardous Waste		\$ 681.00	48.64	\$ 608.00
Temporary Disposal Cards	\$ 9,901.20	\$ 74,181.25	231.82	\$ 64,228.07
Duplicate Disposal Cards	\$ 330.00	\$ 23,501.23	83.93	\$ 93,814.35
Landfill Disposal Cost Fees	\$ 24,990.93	\$ 138,918.31	111.13	\$ 132,644.38
Landfill Sale of Recyclables	\$ 2,789.40	\$ 48,674.62	115.89	\$ 84,057.54
Nuisance Tires				
Disposal Cards	\$ 32,097.22	\$ 2,422,897.27	109.92	\$ 2,212,219.38
Construction Demolition	\$ 2,835.97	\$ 42,632.24	112.19	\$ 40,800.41
Solid Waste Disposal Distribution		\$ 9,943.65	99.44	\$ 13,688.06
Grant/State				
Electronics Management		\$ 658.00	9.56	
Electronics (County)				
Interest				
Totals	\$ 79,370.97	\$ 2,805,473.98	111.13	\$ 2,717,003.48

EXPENSES:	MTD	YTD	Encumbered	% OF BUDGET	Year to Date 04/22
Landfill	\$ 164,762.19	\$ 1,714,890.91	\$ 206,761.00	77.18	\$ 1,681,600.59
Recycling	\$ 9,963.75	\$ 202,071.97	\$ 77.00	74.89	\$ 162,239.63
Scrap Tires	\$ 3,854.08	\$ 20,286.06	\$ 6,226.00	76.55	\$ 26,402.12
White Goods		\$ 3,338.89		53.00	
Closure/Post Closure					
Totals	\$ 178,580.02	\$ 1,940,587.83	\$ 213,064.00	76.87	\$ 1,870,242.34

**DISTRIBUTION REQUEST
NEEDS-BASED PUBLIC SCHOOL CAPITAL FUND
NORTH CAROLINA EDUCATION LOTTERY**

Date of Request: May 5, 2023

DPI USE ONLY
Approved:
Date:

County: Madison County
 Address: 107 Elizabeth Lane, Marshall, NC 28753
 LEA: Madison County Schools
 Address: 5738 US 25/70 Hwy. Marshall, NC 28753

Contact Person: Michael Wallin
 Title: CFO
 Phone: 828-649-9276
 Email: mwallin@madisonk12.net

Project Title: Madison County Schools' Stadium Renovation Project
 Project Address: 5740 US 25/70 Hwy. Marshall, NC 28753

The Needs-Based Public School Capital Fund is governed by Article 38B of GS 115C-546. The purpose of the NBPSCF is to assist counties with their critical public school building capital needs. Grant funds may be used for construction of new public school buildings, as well as additions, repairs, and renovations to existing public school buildings. Grant funds cannot be used for real property acquisition, or for capital improvements to administrative buildings. Grant funds may be utilized for a lease agreement per GS 115C-546.13. **Do Not use this Distribution Request Form for lease payments.**

Total Project Costs (per signed agreement)	State Grant		Local Match		Total
Planning / Design	\$ _____	+	\$ _____	=	\$ _____
Construction	\$ 2,380,000	+	\$ 119,000	=	\$ 2,499,000
Other	\$ _____	+	\$ _____	=	\$ _____
Total	\$ 2,380,000	+	\$ 119,000	=	\$ 2,499,000

Design Firm: LS3P 14 O'Henry Ave., Suite 210, Asheville, NC 28801

Date of Design Contract: 10/14/2021 Bid Date (actual estimated): 9/14/2022

General Contractor: H&M Constructors Date of Construction Contract: 9/26/2022

Construction Start Date (actual estimated): 11/30/2022 Completion Date (actual estimated): 10/2/2023

Local Matching Fund Requirement: 1:1 | 1:3 ---- or ---- 0% | 5% | 15% | 25% | 35%

Source(s) of matching funds: Local and Capital Outlay Funds

Project Costs (as of date): <u>03/31/2023</u>	State Grant		Local Match		Total
Planning / Design	\$ _____	+	\$ _____	=	\$ _____
Construction	\$ 741,443.32	+	\$ 96,987.55	=	\$ 838,430.87
Other	\$ _____	+	\$ _____	=	\$ _____
Total	\$ 741,443.32	+	\$ 96,987.55	=	\$ 838,430.87

Grant Funds Requested	All Prior Requests		This Request		Total
Planning / Design	\$ _____	+	\$ _____	=	\$ _____
Construction	\$ 506,742.93	+	\$ 234,700.39	=	\$ 741,443.32
Other	\$ _____	+	\$ _____	=	\$ _____
Total	\$ 506,742.93	+	\$ 234,700.39	=	\$ 741,443.32

Supporting Documentation: *At DPI's request, submit documentation to DPI substantiating project expenditures identified here.*

Reporting Requirements

We, the undersigned, agree to submit a report describing the progress of this project, including State and Local amounts expended, as follows: 1) with each distribution request; 2) annually on or before April 1 of each year; and 3) within 90 days following completion of the project (final payment). We certify that the project herein described is within the parameters set forth in Article 38B of GS 115C-546, and that all the required local funding is available and designated as a Local Match for this project. We certify that Local Matching Funds are derived from non-State and non-Federal funds and will be expended along with Needs-Based Grand funds as the project progresses.


 (Signature - Chair, County Commissioners)

May 9 2023
 (Date)

(Signature - Chair, Board of Education)

(Date)

STATE OF NORTH CAROLINA

RESOLUTION

COUNTY OF MADISON

WHEREAS, by authority of N.C.G.S. 160A-209, counties may declare surplus any real property owned by the County and propose to accept an offer made to begin the Negotiated Offer, Advertisement and Upset Bid process; and

WHEREAS, Madison County owns parcel number 9716-75-8207, a 61.14 acre parcel located on Print Pack Lane in Marshall and recorded in the office of the Register of Deeds of Madison County, NC in Deed Book number 206, at page 441; and

WHEREAS, Madison County is not in need of the property and desires to declare a 0.56 acre portion of the parcel as surplus as included in "Attachment A"; and

WHEREAS, Madison County desires to consider offers and advertise the accepted offer for a period of ten days and receive qualifying negotiated offers in accordance with N.C.G.S. 160-209 for sale by negotiated offer, advertisement, and upset bid; and

WHEREAS, Madison County Board of Commissioners reserves the right to reject all bids received;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County of Madison that the property identified above is declared surplus.

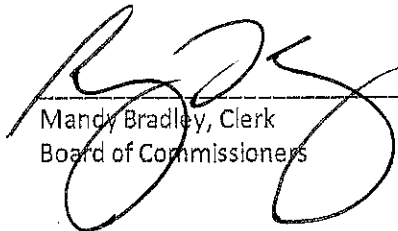
This the 9th day of May 2023.

MADISON COUNTY



Matt Wechtel, Chairman
Board of Commissioners

ATTEST:



Mandy Bradley, Clerk
Board of Commissioners

STATE OF NORTH CAROLINA COUNTY OF MADISON

RECORDED THIS 14th DAY OF JANUARY 2012 BY RECORDER OF DEEDS DEPT. OF RECORDS

REVIEW OFFICE OF MADISON COUNTY DEEDS ATTACHED HERETO ALL STATUTORY REQUIREMENTS FOR RECORDING

PLAT HAS BEEN APPROVED TO COMPLY WITH THE MADISON COUNTY LAND DEVELOPMENT AND SUBDIVISION ORDINANCE

DATE 9-27-2012

DATE 9-27-2012



SUBDIVISION SURVEY FOR MADISON COUNTY AND PRINTPACK INC.

MARSHALL TOWNSHIP MADISON COUNTY, NC DEED REFERENCE BK. 206 PG. 441

DATE: 09-27-2012 JOB NO.: 0800-22

SURVEY BY CHANDLER MOUNTAIN SURVEYING PLLC PROFESSIONAL LAND SURVEYING LICENSE # P-1232 4647 REARDAWS TOWN ROAD MARSHALL, NC 28753 828-286-1538



TOTAL AREA 0.56 AC 200810 SQ FT 46.29 AC/AH

NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441

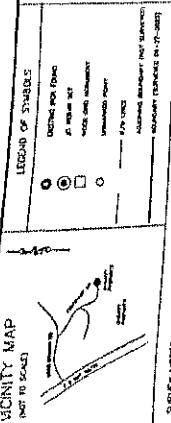
NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441

NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441

NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441

NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441

NOTE ON FORMALLY RECORDED DEED BK. 206 PG. 441



LEGEND OF SYMBOLS

- Survey symbols including bearings, distances, and points.

SURVEY NOTES

- 1. THIS SURVEY IS TO LOCATE AND BOUND A PORTION OF THE PROPERTY DESCRIBED IN DEED BK. 206 PG. 441... 2. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD... 3. THE SURVEY WAS PREPARED WITHOUT AIRBORNE TITLE AND... 4. APPROXIMATE GRAVEL WIDTH OF PRINTPACK LANE IS 10.0'...

REFERENCES: DEED BOOK 206 PAGE 153

PRINTPACK LANE DEED REFERENCE BK. 206 PG. 441

NOTE: SURVEY BY CHANDLER MOUNTAIN SURVEYING PLLC

NOTE: SURVEY BY CHANDLER MOUNTAIN SURVEYING PLLC

YOU SHALL NOT REMOVE ANY MONUMENTS OR MARKERS... ANY MONUMENTS OR MARKERS REMOVED SHALL BE REPLACED AT THE SURVEYOR'S EXPENSE...

STATE OF NORTH CAROLINA COUNTY OF MADISON

LEASE AGREEMENT - May 9, 2023

THIS LEASE AGREEMENT is made and entered into on this the day and year first above written, by and between, **MADISON COUNTY, A Body Politic and Corporate of the State of North Carolina**, hereinafter referred to as Lessor, and **MARS HILL VFW MEMORIAL POST 5483**, hereinafter referred to as Lessee; thus

WITNESSETH

THAT WHEREAS The Lessor is an entity authorized to appropriate funds to the Lessee for the purposes of carrying out a public purpose and Lessor is the owner of the herein below described demised premises which Lessor, except as set forth herein below, does not require the use of during the term of the lease, and Lessor desires to enter into the terms and provisions of this Lease to convey unto Lessee a lease in the demised premises pursuant to NC Gen. Stat. §160A-272. Therefore, pursuant to the terms and provisions of said statute the Lessor does hereby let and lease unto the Lessee the demised premises set forth herein below upon the following terms and provisions:

TO HAVE AND TO HOLD said premises unto the Lessee upon the following terms and conditions:

- 1) Term: The term of this Lease shall commence on May 9, 2023 and extend through and until May 9, 2033.
- 2) Basic Rent: Rents hereunder shall be payable as follows: All payments shall be made on or before the first day of each calendar year over the term of this Lease and shall be in an amount of \$1.00 per year.
- 3) Demised Premises: Being an approximate one acre tract as part of a 60.63 acre tract owned by Madison County having a PIN of 9716-77-1953 and being a portion of Madison County Deed Book 343, Page 234 and being bounded on the South by Medical Park Drive, on the East by the Madison County Health Department, and on the North by the Hot Springs Health Program, and on the West by Medical Park Drive.
- 4) Covenants Regarding Use of Property and Indemnification: The Demised Premises shall be used by the Lessee only for the purposes of providing a Veteran's Memorial Park for the residents of Madison County and other invitees and for the purposes of providing enrichment, awareness, and leisure to those persons as is more particularly set forth herein below. The Lessee will keep and maintain and comply with all ordinances, laws and regulations of authorities regarding the use of the property. The Lessee does hereby further covenant and agree to

and with the Lessor that it shall indemnify the Lessor against and shall hold the Lessor harmless from any and all liability which it may or might incur as a result of any damages at law or in equity as to the loss of person or property which might incur by reason of the Lessee's occupation of the demised premises or the acts or omissions of the Lessee, its employees, agents, and/or invitees.

- 5) Covenant of Title and Quiet Enjoyment: The Lessor covenants and warrants to the Lessee that the Lessor has full right and lawful authority to enter into this Lease for the term hereof and that provided the Lessee is not in default hereunder, Lessee's quiet and peaceable enjoyment of the premises shall not be disturbed by anyone claiming through the Lessor.
- 6) Inspection: The Lessor shall have the right at all times: (a) to enter and inspect any building or enclosure, and (ii) upon reasonable notice to the Lessee to enter and inspect the demised premises.
- 7) Responsibilities of Lessee: Lessor, has in the past, and is now vigorously attempting to encourage the operation of a Veteran's Park in Madison County to serve the needs of the citizens of the county and in particular the needs of citizens of the community. The demised premises is an excellent site for the furtherance of such a concept and the Lessee has graciously agreed to assist the Lessor by operating the Veteran's Park on the demised premises to serve the citizens of Madison County, to that end the Lessee agrees to do the following:
 - a. To use the demised premises for the purposes of developing and providing to the citizens of Madison County a Veteran's Park, including but not limited to incurring the cost of development and construction.
 - b. To open and close all enclosures and all facilities on the demised premises before and after all activities or operating hours.
 - c. To maintain proper control with respect to any keys to the facilities.
 - d. To inspect the demised premises as may be necessary to insure that prior to the demised premises' use for any activity that the premises are safe for the uses contemplated therein.
 - e. To report immediately all damage, vandalism, and other defects to the demised premises to the Madison County Veteran's Services Office.
 - f. To provide all maintenance and repairs to the demised premises.
 - g. To provide the proper security protection for the demised premises when not in use by authorized groups.
 - h. To keep the demised premises in good and proper condition.
 - i. To take all energy saving and conservation methods required to conserve energy costs on the demised premises.
 - j. To endeavor to obtain funds to repair and maintain the demised premises and to engage in activities which would further the interest of the community.

- k. To maintain a policy of general liability insurance in the amount of \$1,000,000.00 per occurrence which shall insure against damage or loss against personal property pertaining to use of the demised premises by the Lessee, specifically naming the Lessor as an additional loss payee on such policy of insurance. Lessee further agrees that it shall maintain adequate insurance coverage upon any and all personal property, chattels, and inventory and products on hand so as to insure the same against damage or loss from fire or hazard.
 - l. Lessee shall be responsible for any and all damages which occur on or about the demised premises as a result of Lessee's negligence; to bear the cost of and be solely responsible for the costs of all repairs to the facility; to make no additional alterations to the facility without the express written approval of the Lessor; to keep the premises in good condition, including routine maintenance and cleaning.
- 8) Responsibilities of Lessor: Lessor, in return for the services provided by the Lessee, shall:
 - a. Maintain upon the demised premises insurance against loss from fire or damage.
 - b. Pay for and be responsible for the cost of the electrical utility service to the demised premises.
 - c. Cooperate with the Lessee in the Lessee's grant writing and all attempts to obtain funds for the development, repair, maintenance and improvement of the demised premises.
- 9) Fire or Casualty: If the building or the demised premises or any portion thereof shall be damaged or destroyed by fire or other casualty, the Lessor or Lessee shall have the right to terminate this Lease effective as of the date of such damage or destruction. If the Lessor and Lessee do not elect to terminate this Lease, then the rentals shall abate during the period of reconstruction.
- 10) Assignment or Subletting and Automatic Termination: The Lessee presently is incorporated in the State of NC as a non-profit entity. Except as authorized herein, the Lessee shall not have the right to assign this Lease or to sublet the demised premises in whole or in part, without the prior written consent of the Lessor.
- 11) Default:
 - a) Each and every one and all of the following events shall constitute an event of default:

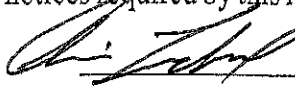
- i) If the Lessee fails to pay any sum due from it in strict accordance with the provisions of this Lease and does not make such payment within five days of such payment being due as herein provided. For the purposes hereof all sum due from the Lessee shall constitute rentals whether denominated as rentals or otherwise elsewhere herein.
 - ii) If the Lessee fails to fully perform and comply with each and every condition and covenant of this Lease Agreement and such failure of performance continues for a period of fifteen days after notice thereof.
 - iii) If the Lessee vacates or abandons the demised premises.
 - b) Upon the occurrence of any event of default as set forth herein above, the Lessor shall have the right, at its option, to utilize any one or more of the following rights:
 - i) To cancel and terminate this Lease Agreement and all interests of the Lessee hereunder by giving notice of such cancellation and termination not less than ten days prior to the effective date of such termination. Upon the expiration of such ten-day period, the Lessee shall have no further rights under this Lease Agreement.
 - ii) To re-let the demised premises or any part thereof for any term, with or without terminating the Lease, and at such rentals and on such other terms as the Lessor may elect, and to alter and repair the premises as the Lessor shall deem necessary.
 - iii) All other rights and remedies provided by law to Lessor with a defaulting Lessee, including all such money damages as the Lessor shall be entitled pursuant to the law of damages.
 - c) In the event of any conflict between any of the provisions hereof regarding the amount of time that must elapse without cure after notice of breach before the same constitutes an event of default, then the provisions establishing the greatest amount of time to cure after notice shall prevail.
- 12) Binding Effect & Complete Terms: The terms, covenants, conditions, and agreements herein contained shall be binding upon and inure to the benefit of and shall be enforceable by the Lessor and the Lessee and by their respective heirs, successors, and assigns. All negotiations and agreements of the Lessor and the Lessee are merged herein. No modification hereof or other purported agreement of the parties shall be enforceable unless the same is in writing and signed by the Lessor and Lessee.

13) Construction of Lease: This lease shall not be construed more strictly against either party regardless of which party is responsible for the preparation of the same.

14) Waiver: No failure by the Lessor to exercise any rights hereunder to which the Lessor may be entitled shall be deemed a waiver of the Lessor's right to subsequently exercise the same. The Lessee shall gain no rights nor become vested with any power to remain in default under the terms hereof by virtue of the Lessor's failure to timely assert its rights. No acceleration of rentals, regardless of how often occurring, which the Lessor chooses to ignore by thereafter accepting rental or other performance by the Lessee shall constitute a waiver of the right to thereafter accelerate rentals.

15) Notices: All notices required by this Agreement shall be forwarded to:

Lessee:

 for VFW Post 5483

VFW Post 5483, Mars Hill, NC 28754

Lessor:

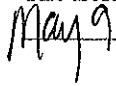
Madison County Government
Madison County Administrative Office
PO Box 579
Marshall, NC 28753

Notices, demands, and requests which shall be served upon the Lessor and Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder.

16) Integration Clause: Any stipulations, representations, or agreements, oral or written, made prior to or contemporaneously with this Agreement, shall have no legal or equitable consequences, and the only agreement made and binding on the parties hereto in contained herein and it is the complete and total integration of the intent and understanding of the Lessor and Lessee.

17) Statutory Authorization: That as stated herein above this Lease is made and entered into pursuant to NCGS §160A-272 and, as required by said statute and pursuant to NCGS §160A-267 and NCGS §160A-272 the Lessor does propose to enter into the terms and provisions of this Lease Agreement which is a Lease Agreement not exceeding ten years.

a. The Lessor Madison County has adopted a resolution at its

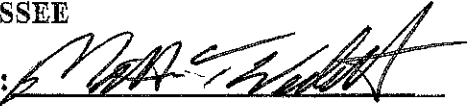
 9

, 2023 Regular Monthly Meeting authorizing entry of this

Lease after giving Notice by Publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing its intent to authorize the Lease at its May 9, 2023 meeting, a copy of the notice being attached hereto as Exhibit "A".

IN TESTIMONY WHEREOF the parties hereto have hereunto set their hands and have affixed their respective seals on this the day and year first above written.

MADISON COUNTY, a Body Politic and
Corporate of the State of North Carolina,
LESSEE

By: 

Title: Board of Commissioners Chairman

(SEAL)

Attest:

By:  Clerk to the Board

LESSEE

By:  Commander, VFW Post 5483

CITIZEN-TIMES

PART OF THE USA TODAY NETWORK

Classified Ad Receipt (For Info Only - NOT A BILL)

Customer: MADISON COUNTY GOVERNMENT**Ad No.:** 0005653040**Address:** PO BOX 579
MARSHALL NC 28753
USA**Pymt Method** Invoice**Net Amount** \$134,64**Run Times:** 1**No. of Affidavits:** 1**Run Dates:** 04/05/23**Text of Ad:**

**PUBLIC NOTICE
LEASE OF COUNTY OWNED PROPERTY
WITHIN THE COUNTY OF MADISON**

The Madison County Board of Commissioners intends to enter into a lease agreement for the following county owned property:

Being approximately a 1.0 acre tract owned by Madison County PIN 9718-77-1953 deed book 343, page 234 bounded on the North by the Hot Springs Health Program, South by Medical Park Drive, East by the Madison County Health Department, and West by Medical Park Drive as shown on the diagram available for inspection in the Madison County Manager's Office.

The County intends to lease the property designated above to the Mars Hill VFW Memorial Post 5483 for an initial term of ten years. In consideration of the lease, the Mars Hill VFW Memorial Post 5483 will pay an annual lease fee of \$1.00.

All persons interested in this lease are invited to attend the meeting of the Madison County Commissioners to be held at the North Carolina Cooperative Extension Office-Madison County Center located at 298 Carolina Lane Marshall, NC 28753 at 7:00 p.m. on Tuesday, May 9, 2023. At that time, the Board intends to authorize the lease of the property described above.

This the 5th day of April 2023.

**MADISON COUNTY
BOARD OF COMMISSIONERS**
Mandy Bradley, Clerk to the Board

April 5, 2023
0005653040

**RESOLUTION AUTHORIZING EXECUTION OF
A LEASE AGREEMENT BETWEEN MADISON COUNTY
AND MARS HILL VFW MEMORIAL POST 5483 FOR
USE OF COUNTY OWNED PROPERTY**

WHEREAS, Madison County owns a certain tract or parcel of land being, being an approximate one acre tract as part of a 60.63 acre tract owned by Madison County having a PIN of 9716-77-1953 and being a portion of Madison County Deed Book 343, Page 234 and being bounded on the South by Medical Park Drive, on the East by the Madison County Health Department, and on the North by the Hot Springs Health Program, and on the West by Medical Park Drive; and

WHEREAS, the County staff reports that the County does not have a need for the property for County purposes during the term of the proposed new lease and recommends that the Board of County Commissioners authorize the execution of the lease; and

WHEREAS, public notice of this proposed lease was published at least thirty (30) days prior to this meeting date, pursuant to the provisions of NC Gen. Stat. § 160A-272.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Madison County Board of Commissioners hereby determines that the property described above which is the subject of the proposed lease agreement with Mars Hill VFW Memorial Post 5483 will not be needed for county purposes during the term of the proposed lease.

BE IT FURTHER RESOLVED that a public notice has been published pursuant to the provisions of NC Gen. Stat. §160A-272 announcing the Board's intent to authorize the lease describing the property to be leased, and stating the annual lease payments.

BE IT FURTHER RESOLVED that the Chairman or County Manager and the Clerk to the Board are hereby authorized to execute a Lease Agreement of the above described property, with Mars Hill VFW Memorial Post 5483, on behalf of Madison County, subject to a pre-audit certificate thereon by the County Finance Officer, if applicable. The original proposed Lease Agreement being attached hereto and incorporated herein by reference.

Adopted this the 9 day of May, 2023.



Chairman
Madison County Board of Commissioners

ATTEST:



Clerk

(SEAL)



ArcGIS Web Map

RESOLUTION

Of the Madison County Board of County Commissioners Concerning
The Sale of Surplus Property

WHEREAS the Madison County Board of County Commissioners (hereinafter "Board") is the owner of a tract of land located in Madison County, North Carolina, more particularly described in a Deed recorded at Madison County Deed Book 593, Page 461, which has been declared surplus property (hereinafter "Property"); and

WHEREAS subsequent thereto the Board received an offer from Coast 2 Coast Group, LLC to purchase the Property in consideration of \$1,500.00, and the Board proposes to accept said offer subject to the terms and provisions of NC Gen. Stat. 160A-269; and

WHEREAS the offer has been advertised for upset bids as required by law, said advertisement having been published in a newspaper having general circulation in Madison County, North Carolina as required by the applicable statutes; and

WHEREAS more than ten days has expired since said publication and no upset bids have been made as required by said statute.

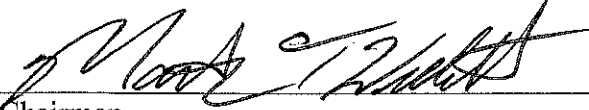
WHEREAS on 11 June 2019 the Board by Resolution confirmed and accepted the offer to Coast 2 Coast Group, LLC (hereinafter "Purchaser") and after receipt of the purchase price from the Purchaser the Chairman of the Board did execute and deliver to the Purchaser a deed for the Property; and

WHEREAS the Purchaser has now informed the Board that the Purchaser has lost or misplaced the deed and has not submitted the deed for recordation in the Madison County Public Registry; and

WHEREAS the Purchaser has requested that the Board execute and deliver a new or replacement deed for the property to the Purchaser.

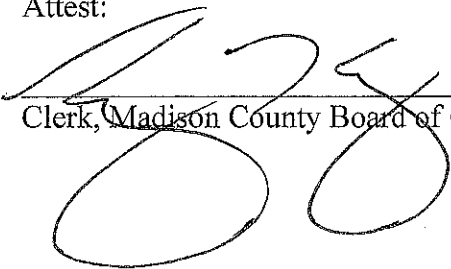
NOW THEREFORE be it hereby RESOLVED by the Board that the Chairman of the Board is hereby authorized to execute to the Purchaser a new or replacement deed for the property upon the receipt of Purchaser in the sum of \$26.00 to provide for the recordation of said deed in the Madison County Public Registry and further that the Clerk to this Board certify a copy of this Resolution to be attached to the deed conveying the Property.

Resolved this 9th day of May, 2023. Signed this the 13th day of June, 2023.



Chairman
Madison County Board of Commissioners

Attest:



Clerk, Madison County Board of Commissioners

CERTIFICATION

The undersigned Clerk to the Madison County Board of Commissioners does by execution hereof certify the forgoing to be a true and accurate copy of action taken by said Board as stated therein. WITNESS my hand and seal.



Clerk, Madison County Board of Commissioners

(SEAL)

RESOLUTION

Of the Madison County Board of County Commissioners Concerning
The Sale of Surplus Property

WHEREAS the Madison County Board of County Commissioners (hereinafter "Board") is the owner of a tract of land located in Madison County, North Carolina, more particularly described in a Deed recorded at Madison County Deed Book 624, Page 390, which has been declared surplus property (hereinafter "Property"); and

WHEREAS subsequent thereto the Board received an offer from Coast 2 Coast Group, LLC to purchase the Property in consideration of \$3,000.00, and the Board proposes to accept said offer subject to the terms and provisions of NC Gen. Stat. 160A-269; and

WHEREAS the offer has been advertised for upset bids as required by law, said advertisement having been published in a newspaper having general circulation in Madison County, North Carolina as required by the applicable statutes; and

WHEREAS more than ten days has expired since said publication and no upset bids have been made as required by said statute.

WHEREAS on 11 June 2019 the Board by Resolution confirmed and accepted the offer to Coast 2 Coast Group, LLC (hereinafter "Purchaser") and after receipt of the purchase price from the Purchaser the Chairman of the Board did execute and deliver to the Purchaser a deed for the Property; and

WHEREAS the Purchaser has now informed the Board that the Purchaser has lost or misplaced the deed and has not submitted the deed for recordation in the Madison County Public Registry; and

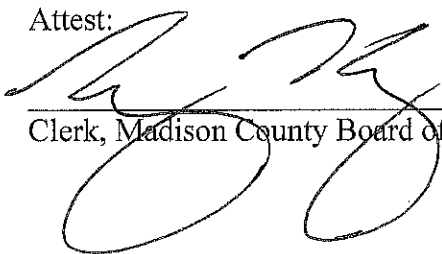
WHEREAS the Purchaser has requested that the Board execute and deliver a new or replacement deed for the property to the Purchaser.

NOW THEREFORE be it hereby RESOLVED by the Board that the Chairman of the Board is hereby authorized to execute to the Purchaser a new or replacement deed for the property upon the receipt of Purchaser in the sum of \$26.00 to provide for the recordation of said deed in the Madison County Public Registry and further that the Clerk to this Board certify a copy of this Resolution to be attached to the deed conveying the Property.

Resolved this 9th day of May, 2023. Signed this the 13th day of June, 2023.



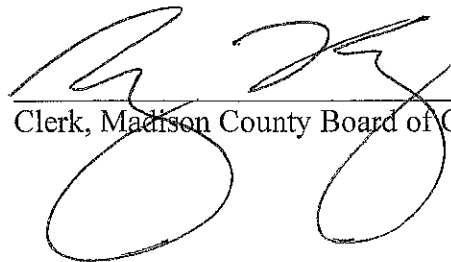
Chairman
Madison County Board of Commissioners

Attest:


Clerk, Madison County Board of Commissioners

CERTIFICATION

The undersigned Clerk to the Madison County Board of Commissioners does by execution hereof certify the forgoing to be a true and accurate copy of action taken by said Board as stated therein. WITNESS my hand and seal.



Clerk, Madison County Board of Commissioners

(SEAL)