



CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement (the "Agreement") is made and entered into as of August 10, 2015 by and between Yadkin County (the "Client"), and Spectrum Health Partners (SHP), LLC, a Tennessee limited liability company (the "Contractor").

NOW THEREFORE and in consideration of the mutual agreements, covenants, terms and conditions herein contained, the parties hereto agree as follows:

Services. Spectrum Health Partners will prepare a series of financial models contained in a report that will provide Yadkin County Officials with numerous options relative to the future of Yadkin County Community Hospital. The report will contain the most probable and available options in order to serve the healthcare needs of the Yadkin County residents.

The report will be called "Yadkin County Community Hospital Business Assessment Report".

Client acknowledges and agrees that Contractor has not made or makes any guaranty, assurance or representation about the overall financial, or any other type of, performance of Client from and after the date of this Agreement or the achievement of any financial or other benchmarks.

Term of Agreement. Unless terminated as provided below, the term of this Agreement will begin on August 10, 2015 ("the Commencement Date") and shall remain in effect until the delivery of the Business Assessment Report to Client, which shall be approximately four (4) to six (6) weeks from the Commencement Date. If this engagement is extended beyond the delivery of the Business Assessment Report, additional terms and scope will be defined and negotiated.

Termination. This Agreement may be terminated at any time by either party upon thirty days (30) advance written notice to the other party. If terminated by either party, Contractor will be reimbursed for expenses incurred through the date of termination, including the total amount of any lease or rental fees that cannot be terminated on the date of the termination of the Agreement and any non-refundable travel booked.

Compensation. In consideration of the performance by Contractor of its duties hereunder, Client shall pay to Contractor an hourly rate of two - hundred and seventy-five dollars (\$275.00). We anticipate that it will take up to two - hundred (200) hours to complete, resulting in a Professional Fee of fifty - five thousand dollars (\$55,000.00). The Compensation with respect to the first Initial Period shall be paid upon the execution of this Agreement – see Cash on Account. The Contractor shall send invoices to Lisa L. Hughes, Yadkin County Manager's Office unless directed otherwise.

Cash on Account. Upon execution of this Agreement, Client shall pay to Contractor the amount of twenty - seven thousand five hundred dollars (\$27,500.00), which funds will be held "on account" to be applied to professional fees, charges and disbursements for the engagement (the "Initial Cash on Account"). To the extent that this amount exceeds the fees, charges and expenses upon the completion of the Agreement, Contractor will refund any unused portion.

Expense Reimbursement. Contractor will bill all reasonable and necessary costs and expenses incurred by Contractor in the performance of the contractor's duties hereunder, which shall specifically include but not be limited to airfare, lodging and expenses incident to such lodging, automobile rental or lease fees, gasoline, parking, and laundry. Contractor will bill \$60.00 Per Day for a meal per diem. Client agrees to make payment to Contractor within ten days of invoice date. The professional fee billing and the expense reimbursement billing will be transmitted in a single invoice. The address for invoicing unless otherwise specified will be billed to Lisa L. Hughes, Yadkin County Manager's Office unless directed otherwise. Reimbursement to Spectrum Health Partners is requested within ten (10) business days of the invoice date.

Confidentiality. Except as required by law or an order of a Court or regulatory body, Contractor and hereunder shall not at any time during or after the term of this Agreement reveal, divulge or make known to any person(s), other than Client or its affiliates and their representatives and agents, or use for its or his/her own benefit, any knowledge, information or materials about Client's products, services, customers, business plans, or about financial, marketing, pricing, compensation and other proprietary matters of Client.

Assignment. This Agreement is a personal services contract and may not be assigned by Contractor without the prior written consent of Client, which consent shall not be unreasonably withheld. Any assignment without the prior written consent of Client is void.

Non-Solicitation. Neither Client nor any affiliate of Client shall solicit, induce or hire any employee or independent contractor of Contractor for direct employment or consulting services, temporary or permanent, full or part time, during the term of this Agreement and for one (1) year after the termination of this Agreement, without the prior written permission of Contractor.

No Employment Relationship. The Contractor is not an employee of Client nor is the Contractor. Contractors are performing services and duties under the Agreement not as employees, agents, partners, or joint venturers with Client. Contractor is responsible for all withholding and tax liabilities for compensation and benefits received pursuant to this Agreement, and will defend and indemnify Client for any tax liabilities. In addition, Contractor agrees that it shall defend and indemnify Client, its employees and agents for any employment, contractual or other claims that may be made.

Employment Offers. Should Contractor or any affiliate of Client desire to hire or directly contract with any employee of, or independent contractor engaged by, Contractor, Client shall notify Contractor prior to initiating discussions with any such person. If Client or any affiliate of Client hires or engages any such person, a one-time fee of Fifty Percent (50%) of the first year base compensation plus any sign-on or similar bonus will be paid to Contractor within ten (10) days of the hiring or engaging of any such person by Client.

Indemnification. To the extent permitted by law, and except as otherwise provided, Contractor employees or contractors serving as directors or officers of Client or its affiliates will receive the benefit of the most favorable indemnification and advancement provisions provided by Client to its directors, officers and any equivalently placed employees, whether under Client's charter or by-laws, by contract or otherwise. Client shall specifically include and cover employees and agents serving as directors and officers of Client or affiliates from time to time with direct coverage under Client's policy for liability insurance covering its directors, officers and any equivalently placed employees. Client shall, at the request of Contractor, provide Contractor a copy of its current D&O policy, a certificate of insurance evidencing the policy is in full force and effect, and a copy of the signed board resolutions and any other document that Contractor may reasonably request evidencing the appointment and coverage of the indemnitees. Client shall maintain such D&O insurance for the period through which claims can be made against such persons.

Limitation of Liability. Except for the willful misconduct or gross negligence of the Contractor, or Contractor's employees, Client agrees that the liability of Contractor is limited to the total amount of the fees paid to Contractor under this Agreement.

Alternative Dispute Resolution - Agreement to Arbitrate. Any controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof, shall be determined by arbitration in the Client in accordance with the provisions of this Agreement and the commercial arbitration rules of JAMS in effect on the date of this Agreement by a single arbitrator who is a retired state or federal judge.

Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Yadkin County, North Carolina.

IN WITNESS WHEREOF, the parties have caused their name to be affixed by their duly authorized representatives as of the date first above written.

SPECTRUM HEALTH PARTNERS, LLC

Yadkin County, North Carolina

By: Kenneth P. Doran

Kenneth Doran
President / CEO

Date: 8/10/2015

By: Lisa L. Hughes

Lisa L. Hughes
County Manager

Date: 8/10/15

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