

EMERGENCY MEDICAL SERVICES AGREEMENT

THIS EMERGENCY MEDICAL SERVICES AGREEMENT is made this 1st day of SEPT, 2018, between **FIRSTHEALTH OF THE CAROLINAS, INC.** ("FirstHealth"), a North Carolina not-for-profit corporation, and **CHATHAM COUNTY** (the "Service Recipient").

RECITALS:

- A. FirstHealth operates an integrated health care organization in south central North Carolina, including emergency medical services ("Emergency Medical Services" or "EMS"), and FirstHealth desires to enter into this agreement to provide Emergency Medical Services for the benefit of the geographic area more particularly described on **Exhibit A** attached hereto and herein incorporated by reference (the "Coverage Area");
- B. The Service Recipient presently provides Emergency Medical Services to the citizens of the Coverage Area by contract with FirstHealth.
- C. The Service Recipient desires to continue to retain FirstHealth as the sole and exclusive provider of Emergency Medical Services in the Coverage Area upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter expressed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **SERVICES TO BE PROVIDED BY FIRSTHEALTH:**

- (a) **Emergency Medical Services.** During the Term of this Agreement (as defined in Section 3), FirstHealth agrees to provide Emergency Medical Services for the residents of the Coverage Area including patient medical transports originating at FirstHealth Moore Regional Hospital or any other fixed medical facility in the Coverage Area ("Facilities") and other non-emergency ambulance services within the Coverage Area. FirstHealth reserves the right to coordinate delivery of Emergency Medical Services with other FirstHealth EMS arrangements, pursuant to the Mutual Aid Agreement. But in no event, will FirstHealth remove transport units from the Coverage Area, except pursuant to a mutual aid agreement that the county is a party to, or as required to fulfill specific obligations under this Agreement (e.g. recovery of deceased persons). FirstHealth will respond to calls regardless of the individual's ability to pay. FirstHealth will work together with all current ambulance providers of Emergency Medical Services in the Coverage Area to ensure coverage on 100% of all bona fide medically necessary and covered transport requests as defined by Medicare for Emergency and Non-Emergency Medical Transport Services

received by the Service Recipient in accordance with legally defined and protected classes or ability to pay. Each Facility will provide medical orders, consistent with established medical protocols, for all patients as the basis for all standing orders outside of a Facility. Additional contact to medical control for subsequent orders in the Coverage Area will be made to one of the Facilities.

- (b) **Medical Director.** There shall be a Medical Director for FirstHealth/Chatham EMS operations appointed by FirstHealth. All cost of providing the Medical Director shall be paid by FirstHealth.
- (c) **Response Times.** FirstHealth will maintain those response times as more particularly set forth on **Exhibit B** attached hereto and herein incorporated by reference (the "Response Times").
- (d) **Community EMS Plan.** The Service Recipient recognizes that FirstHealth is a hospital based ambulance provider. Patient transfer destinations will reflect the patient's choice provided that the provider of Emergency Medical Services deems the distance to be reasonable and the facility to be reasonably capable of handling patient's immediate concerns.
- (e) **Personnel.** Emergency Medical Services personnel shall be employees of FirstHealth and shall be subject to FirstHealth personnel policies and guidelines. All hiring, including initial hiring, will be in accordance with FirstHealth hiring standards and practices. FirstHealth will use reasonable efforts to recruit personnel from within the Coverage Area and to offer benefits and salaries generally consistent with those found within such general geographic region for comparable employment and experience.
- (f) **Management.** FirstHealth will be responsible for all management and other personnel issues affecting its Emergency Medical Services staff. Operational and administrative support and executive management will be provided by FirstHealth.
- (g) **Equipment.** FirstHealth will be responsible, at its sole cost and expense, for all vehicles, medical equipment and supplies necessary to provide the services described herein. All such vehicles, equipment and supplies shall remain the exclusive property of FirstHealth. Rules and regulations as defined by the North Carolina Office of Emergency Medical Services will be adhered to at all times.
- (h) **Schedule of Charges and Billing.** FirstHealth will establish charges for Emergency Medical Services (to be paid by or for the persons transported) that shall not exceed reasonable and customary amounts for such services within the region in and around the Coverage Area. Any increase in the charges will become effective on October 1 of such calendar year.

FirstHealth will be responsible for billing and collections for all Emergency Medical Services provided by FirstHealth. Billing and settlement of claims will be at the sole discretion of FirstHealth. Notwithstanding the foregoing, FirstHealth will use reasonable efforts to establish payment plans for individuals with limited means and will consider "Charity Care" on a case-by-case basis for individuals who do not have the means to pay for service all consistent with current practices and policies of FirstHealth. FirstHealth reserves the right to pursue claims and debt collection actions including, but not limited to, retaining a collection agency.

- (i) **Volunteer Agencies/Emergency Management.** FirstHealth will use reasonable efforts to coordinate and integrate services with the Service Recipient's various volunteer agencies that assist in providing ambulance and first response services in the Coverage Area in order to maximize the delivery of Emergency Medical Services. FirstHealth recognizes the need to aid and assist local emergency management agencies within the Coverage Area and will provide such support to such agencies, as described in **Exhibit C**.
- (j) **Regional EMS Advisory Council.** The Service Recipient shall agree to appoint a representative designated by FirstHealth to the Emergency Services Advisory Council for the Service Recipient as promptly as practicable and at all time thereafter during the term of this Agreement.
- (k) **Services/ Service Levels.** FirstHealth will provide their Services and at the Service Levels as set forth on **Exhibit C** attached hereto and herein incorporated by reference (the "Services" and "Service Levels").
- (l) **Performance Reporting.** FirstHealth will report specific performance criteria to the Service Recipient's Director of Emergency Management or such other official specifically designated in writing to FirstHealth by the Service Recipient on a quarterly basis. Each report will consist of statistical data concerning response times, call mix and call origin and destination.

2. **OBLIGATIONS OF SERVICE RECIPIENT**

Service Recipient agrees to retain FirstHealth as the sole and exclusive provider of Emergency Medical Services in the Coverage Area during the Term. FirstHealth will be the sole and exclusive provider of medical transports originating at any of the Facilities other than transports requiring critical care retrieval services. Service Recipient agrees to adopt or amend any necessary ordinance or regulations to affect the terms of this EMS Agreement. All documents, materials and other information obtained by either party from the other shall be kept confidential and shall not be disclosed to third parties or used

for any purpose, except as provided in this Agreement or as may be required by the Public Records law of the State of North Carolina. Each party shall limit disclosure of such documents, materials and other information to those of its employees who have a need to know such information and shall inform those employees to whom such disclosure is made of their obligations of confidentiality and limited use.

3. **TERM**

- (a) The initial term of the Agreement shall commence September 1, 2018 and end June 30, 2020. Thereafter, this agreement shall be automatically renewed for successive one (1) year terms unless either party gives written notice of termination no less than 180 days prior to the next renewal date.
- (b) Either FirstHealth or Service Recipient may terminate this Agreement for cause based upon an event of default described in Section 10 hereof, subject to the notice and cure provisions set forth therein.
- (c) Either FirstHealth or Service Recipient may terminate this Agreement at any time without cause by giving the other party at least one hundred eighty (180) days written notice of such termination.

4. **REMUNERATION**

See **Exhibit E** attached hereto and herein incorporated by reference (“Remuneration”)

5. **RELATIONSHIPS OF PARTIES**

- (a) In performing the professional services and obligations under this Agreement, FirstHealth shall at all times be acting and performing as an independent contractor to Service Recipient and not as an agent of Service Recipient. Nothing in this Agreement shall be deemed to constitute the parties as joint employers, joint ventures, partners or anything other than independent contractors.
- (b) Neither Service Recipient nor FirstHealth shall have or exercise any control, supervision or direction over the professional judgment or methods employed by any physician or medical director retained to support or provide Emergency Medical Services.
- (c) Subject to the terms herein, the parties expressly agree that nothing in this Agreement will be deemed to prevent FirstHealth or any of its subsidiaries or affiliates from performing Emergency Medical Services and any ambulance services for any other county, government unit, person or entity, as it may desire from time to time, provided the same does not

adversely affect the level of Emergency Medical Services required to be provided under this Agreement.

- (d) The parties shall not engage in, make or exhibit acts, statements, demeanor or professional conduct, either within or outside of the Coverage Area when the same is intended to be detrimental to patient safety or to the delivery of quality patient care, disruptive to operations or impairment to the community's confidence in either party. Provided, however, nothing herein shall diminish the First Amendment rights of Service Recipient's employees to comment on matter of public concern. FirstHealth EMS employees shall maintain a professional appearance in accordance with FirstHealth's policies while performing EMS hereunder.
- (e) Service Recipient acknowledges that FirstHealth maintains active community relations and marketing programs designed to serve the residents of the community and enhance the reputation and visibility of FirstHealth. Service Recipient shall cooperate and assist FirstHealth in apprising the community of such programs by participation in community extension events, as mutually agreed upon by the parties hereto, in an effort better to serve the community and promote the reputation of FirstHealth.
- (f) Service Recipient recognizes that FirstHealth is a participant in various third party payment programs including without limitation, Medicare and Medicaid, as well as various managed care programs, which participation is essential to the ability of FirstHealth to service the community.

6. INSURANCE

- (a) FirstHealth agrees to procure and maintain in force during the term of this Agreement, at its own cost, the following coverage:
 - (1) Worker's compensation insurance as required by the State of North Carolina.
 - (2) Automobile liability insurance with one million dollars (\$1,000,000) combined single limits for bodily injury and property damage of not less than one million dollars (\$1,000,000) for any occurrence, with respect to each of FirstHealth's owned, hired or non-owned vehicles, and aircraft assigned to or used in performance of the Emergency Medical Services. Coverage shall be provided by FirstHealth for the non-owned automobiles belonging to employees used in performance of this service.

- (3) Professional Errors and Omissions (medical malpractice) liability insurance with one million dollars (\$1,000,000) per occurrence or per claim.
 - (4) Excess umbrella liability insurance in the amount of five million dollars (\$5,000,000) in excess of the primary policies as set forth in subsections (1), (2), and (3).
- (b) FirstHealth shall procure and maintain, and shall cause any subcontractors of FirstHealth to procure and maintain, the minimum insurance coverage listed herein and shall name Service Recipient as an additional insured on these insurance policies. Such coverage shall be procured and maintained with forms and insurers reasonable acceptable to Service Recipient. All coverage shall be continuously maintained to cover liabilities, claims, demands and other obligation assumed by FirstHealth. In the case of any claims made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
 - (c) A Certificate of Insurance shall be completed by FirstHealth's insurance agent(s) and provided to Service Recipient as evidence that the FirstHealth policies provide the required coverage, conditions, minimum limits set forth herein and such Certificate shall include a provision that Service Recipient shall be provided no less than thirty (30) days written notice prior to a reduction in coverage, or any other material change in any policy, of insurance required hereunder.
 - (d) Service Recipient reserves the right to request and receive a certified copy of any policy and any endorsements thereto. FirstHealth agrees to execute any and all documents as are reasonably necessary to allow Service Recipient access to any and all insurance policies and endorsements pertaining to this Agreement.
 - (e) The parties thereto understand and agree that Service Recipient, its officers and its employees are relying on and do not waive or intend to waiver any provision of the Agreement, the monetary limitations, or any other rights, immunities and protections or other defenses available to Service Recipient, its officers or its employees.

7. FACILITIES

FirstHealth will utilize those facilities as set forth in **Exhibit D** attached hereto and herein incorporated by reference ("Facilities Description").

Upon termination of this agreement, the Service Recipient shall have the right, at its option, exercisable by written notice to FirstHealth given not later than ninety (90) days prior to the effective date of termination, to purchase any capital assets

owned by FirstHealth and used primarily to provide Emergency Medical Services in Chatham County, or which FirstHealth has an ownership interest in, in connection with the provision of Emergency Medical Services hereunder and other services pursuant to this Agreement (including, but not limited to equipment upgraded and replaced, if applicable), AS IS at their then fair market value determined by an appraisal to be conducted by a qualified independent appraiser reasonably acceptable to the Service Recipient and FirstHealth. Upon transfer, FirstHealth will warrant that title to the same is free and clear of all encumbrances.

8. COMMUNICATIONS

All FirstHealth vehicles rendering Emergency Medical Services pursuant to this Agreement shall have radio communications capabilities with Service Recipient's Communication Center.

9. INDEMNIFICATION

Each party agrees that it will be responsible for the negligent acts, omissions or errors in judgment of its respective employees, agents, officers and directors, and for any costs, loss damage or expense (including reasonable attorney fees) arising out of the negligent acts, omissions or errors in judgement committed by its agents or employees in carrying out the provisions of this Agreement

10. COMPLIANCE WITH LAWS

In providing the services described herein, FirstHealth agrees to remain in complete compliance with all laws of the United States and the state of North Carolina. At a reasonable time (during business hours), Service Recipient shall have the right to audit all non-patient records of FirstHealth relating to Emergency Medical Services provided by FirstHealth's in the Coverage Area as necessary to ensure substantial compliance with all such laws.

11. EVENTS OF DEFAULT; REMEDIES.

(a) Either party shall be in default under this Agreement in the event it shall fail to comply with any term, provision or covenant of this Agreement applicable to it, and shall not cure such failure within thirty (30) days after written notice thereof to the breaching party; provided, however, if the default cannot be cured within such thirty (30) days, then the defaulting party shall not be deemed to be in default if such party begins to cure such default within such thirty (30) days cure period and thereafter diligently pursues the completion of such, provided such cure does not take longer than sixty (60) days absent extraordinary circumstances.

(b) Remedies. Upon the occurrence of an event of default which has not be cured within the applicable cure period, the non-defaulting party shall have the right, at its option, to terminate this Agreement by giving written notice of termination to the defaulting party and this Agreement shall thereupon terminate as of the date specified in the notice. In addition to its right to terminate, the non-defaulting party, after terminating this Agreement, may pursue any and all claims that it may have at law or in equity against the defaulting party.

Provided, however, before the non-defaulting party exercises its remedies hereunder, the non-defaulting party shall offer to meet with the defaulting party and if the offer to meet is accepted, a senior officer of each party shall meet in good faith by telephone or in person to attempt to resolve all issues created by default within five (5) business days after written notice of the offer to meet is given. If the dispute is not resolved within that timeframe, the County Manager and the Chief Executive Officer will endeavor to resolved the dispute within a further fifteen (15) business days, or such other period as may be agreed by those persons. Should the defaulting party refuse or fail to meet with the non-defaulting party within the above time limits, or should the dispute not be resolved by the parties within the aforementioned time, then the non-defaulting party may exercise its remedies hereunder.”

12. AMENDMENTS

This Agreement may be amended at any time by written instruments executed by the authorized officials of FirstHealth and Service Recipient.

13. SEVERABILITY

If any provision of this Agreement, or any portion hereof, is found to be invalid, illegal or unenforceable, under any applicable statute of law, then such provision or portion thereof shall be deemed omitted and the validity, legality and enforceability of the remaining provision shall not in any way be affected or impaired thereby.

14. GOVERNING LAW

This Agreement shall be construed under the laws of the State of North Carolina. Chatham County shall be the venue for any legal proceedings commenced hereunder.

15. MODIFICATION TO COMPLY WITH LAW

In the event that any one or more of the terms of this Agreement, through no act or omission of FirstHealth (i) determined to be unlawful or invalid under state or federal law or (ii) jeopardizes or causes the loss of the federal or state tax-exempt status of either FirstHealth or any of its affiliated corporation, the parties agree to

reform this Agreement (i) to eliminate the illegality or invalidity and (ii) to revise any provision which jeopardizes or causes loss of the tax-exempt status, so that after the revision FirstHealth (or the affiliated corporation) will qualify or continue to qualify for tax-exempt status. In the event an enforcement action is brought or threatened against any party, or an audit or examination is commenced with response to any party by any agency of the state or federal government having jurisdiction over the subject matter of this Agreement, the parties hereto agree to reform this Agreement to eliminate or revise its terms in a manner to resolve favorable the enforcement action, threatened enforcement action, audit or examination.

In reformation of this Agreement pursuant to this Section 15, to the greatest extent possible consistent with law and FirstHealth's tax-exempt status, FirstHealth and Service Recipient will preserve the financial benefits to which Service Recipient is entitled under this Agreement.

16. NOTICES

Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and delivered in person or sent Registered or Certified United States Mail, return receipt requested, postage prepaid, or by recognized courier addressed as follows:

If to FirstHealth:

FirstHealth of the Carolinas, Inc.
155 Memorial Drive
Pinehurst, NC 28374-3000
Attn: President and Chief Executive Officer

If to Service Recipient:

Chatham County
Attn: County Manager
12 East Street
PO Box 1809
Pittsboro, NC 27312

Or such other address as either party may designate in writing.

17. ENTIRE AGREEMENT

This Agreement and the Exhibits thereto contain the entire understanding of FirstHealth and Service Recipient with respect to the subject matter thereof, and supersede all negotiations, prior or contemporaneous discussions, agreements or understanding whether written or oral.

18. ASSIGNMENT

This Agreement may not be assigned, delegated or transferred by either party hereto by contract or other agreement, operation of law (including merger) or otherwise without the express written consent of the other party, which shall not be reasonably withheld, conditioned or delayed; notwithstanding the foregoing; however, FirstHealth may assign this Agreement and its obligations, hereunder to any party controlling, controlled by or under common control with FirstHealth, provided FirstHealth guarantees the performance of all the FirstHealth's obligations under this Agreement and provides Service Recipient prior notice of such assignment. Assignment of a franchised service would require approval by the party which granted the franchise initially.

19. AUTHORITY

Signatures below represent and warrant that they are duly empowered to execute this Agreement.

20. STRICT COMPLIANCE

No failure by the parties herein to insist upon the strict performance of any Covenant, agreement, term or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or any such covenant, agreement, term and condition of this Agreement shall continue in full force and effect with response to any other than existing or subsequent breach thereof.

21. COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

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

FIRSTHEALTH OF THE CAROLINAS, INC.

By: David J. Kalinski
Title: CEO

COUNTY OF CHATHAM (Service Recipient)

By: _____
Title: _____

Exhibit A
(Description of Covered Area)

FirstHealth will provide Emergency Medical Services and other medical transports described herein to Chatham County, North Carolina. The Coverage Area includes all of Chatham County except for those areas of Chatham County located within the municipal boundary of the Town of Cary.

Exhibit B
(Description of Response Time)

Emergency response time data (dispatch to on-scene) will be reviewed by FirstHealth and Chatham County and an established average response time will be developed from this review. FirstHealth will monitor monthly response times for all completed emergency responses and develop plans with Chatham County to add additional resources to maintain established average response times, with a goal of a maximum 10-minute on average for dispatched emergency calls. Resources can include additional ambulances, additional bases and base locations; subject to additional remuneration for same.

Exhibit C

(Description of Services Provided and Service Levels)

FirstHealth will provide the following EMS resources to Chatham County

- Six (6) – 24 hour/7 days a week Transport Ambulances located at Goldston (1), Moncure (1), North Chatham (1), Pittsboro (1) and Siler City (2).
- One (1) – 12 hour/7 days a week Medic Truck-located in the Parkwood Area.
- Two (2) – 24 hour/7 days a week Medic Trucks located at Harpers Cross Roads (1) and Pittsboro (1).
- One (1) – 40 hour/week, 8 hours a day/5 days a week Medic Truck located at Moncure.

FirstHealth will staff each ambulance with at least one certified Paramedic and one EMT-B.

Quick Response Vehicle (QRV) will be staffed with one certified Paramedic provider.

AVL (automatic vehicle locator) will be installed on each FirstHealth ambulance (each a “Unit” and collectively the “Units”) based in Chatham County. FirstHealth will purchase the Southern Software interface that will provide data from each Unit to Chatham County which will allow the Chatham County dispatch center visibility of all Units at all times. Chatham County will pay the cost required to receive such AVL data.

FirstHealth will install in all Chatham County response vehicles Mobile Data Terminals (MDTs). Each vehicle will have the ability to receive Computer Assisted Dispatch (CAD) data from the Chatham County 911 Center to the responding ambulance(s). Any cost associated with the purchase and installation will be the responsibility of FirstHealth.

FirstHealth will provide Chatham County a monthly report that details any staffing issues that prevented a unit from being staffed and fully in-service on any day during that month. FirstHealth agrees to decrease its monthly invoice by a dollar amount that accurately reflects the number of hours any unit or units were unstaffed during that month.

FirstHealth shall provide transports of deceased persons in all portions of Chatham County (not just Coverage Area) and shall coordinate such services with Chatham Emergency Operations with consideration for the sensitivity of the situation and the emergency response needs of the County.

FirstHealth will respond to complaints within 7 days. Complaints should be in writing with details necessary to complete an investigation. FirstHealth will acknowledge receipt of complaints within 24 hours and promptly thereafter complete a thorough investigation. Results of the investigation with follow up actions will be completed and shared with Chatham County within 7 days. The Chatham County Manager shall have the right to request that FirstHealth remove an employee from service in Chatham County after providing FirstHealth with pertinent written documentation justifying such request. FirstHealth shall seriously consider the recommendation and provide a timely written response to the County Manager.

In the event the County wants to add additional ambulances or medic units; the County Contribution will increase by an amount to be negotiated between FirstHealth and the County. Below is an estimate for the annual cost of additional ambulances or medic trucks for the first and second years of additional services, provided that a base location is available in the desired area, the location meets all of the requirements for 12 or 24-hour staffing, and the rental cost of that location is appropriate for that area:

<u>Year</u>	<u>Ambulance X 24 hours</u>	<u>Medic Unit X 24 hours</u>
1(3%)	\$447,405.00	\$318,270.00
2(4%)	\$496,500.00	\$331,000.00

In support of volunteer agencies and Emergency Management in Chatham County, the FirstHealth EMS Director, or their designee, will be in attendance at regular committee meetings, emergency planning meetings, disaster drills or tabletop exercises, the Harris Drill and events, and other activities deemed appropriate by FirstHealth and Chatham County emergency operations.

Exhibit D

(Description of Facilities Utilized in Coverage Area by FirstHealth)

FirstHealth will provide resources to the following locations:

- North Chatham
- Parkwood Area
- Pittsboro
- Moncure
- Siler City
- Goldston
- Harpers Cross Roads

Locations of Facilities will be determined by Chatham County, and Chatham County will be responsible for establishing additional base locations. Additional base locations will require a contract amendment and a potential increase in remuneration from the county.

FirstHealth will pay rent, utilities, and all other costs at each location. Rent and utility cost should be reasonable for the location of the base. For any county-owned facilities, FirstHealth and Chatham County shall execute a lease agreement.

Any additional facilities and/or resources requested by Chatham County will need to have an increase in the subsidy to offset the costs.

Bases will be maintained in a sanitary and orderly fashion in accordance with FirstHealth's EMS departmental policies and inspections thereof will be conducted on a regular basis. In addition, joint inspections with the Chatham County EM Director will be coordinated with FirstHealth administration through its EMS administration.

Both Chatham County and FirstHealth are tobacco-free workplaces. The FirstHealth EMS Director will ensure FirstHealth employees are compliant with both policies.

General appearance of employees is defined by FirstHealth Uniform Dress Code Policy. FirstHealth EMS staff will maintain a professional standard of uniform dress. FirstHealth will provide this policy to Chatham County to assure agreement among both parties.

The FirstHealth EMS Director will compare FirstHealth's safety policies to ensure that they are compatible with the evacuation procedures, fire drills, and any other regulatory concerns specific to Chatham County. Chatham County will provide FirstHealth's EMS Director notice of any changes to Chatham County's safety policies and thereafter, FirstHealth will have a reasonable time to coordinate its safety policies utilized in Chatham County with such changes.

Exhibit E
(Remuneration)

During the Term, Chatham County will make annual payments to “FirstHealth” (the “County Contribution”) for purposes of offsetting the expenses of providing the EMS described herein. The County Contribution shall be payable to “FirstHealth” in equal monthly installments beginning September 1, 2018 and being due the first day of each month thereafter during the Term in:

September 1, 2018 – June 30, 2019 (Payable in equal monthly installments)	\$2,419,692.50
July 1, 2019 – June 30, 2020 (Payable in equal monthly installments)	\$3,019,776.00

FirstHealth will reduce each monthly installment billed to Chatham County to reflect the cost of any unstaffed Medic 6 shifts experienced during the immediately prior month.

The Chatham County Remuneration Requirements noted above are effective for Services and Service Levels described in **Exhibit C**, and applicable if billable transports each Contract Year, are at or above 4900. Should billable transports decrease by more than 3 percent (3%), FirstHealth may request an increase in County remuneration. The County agrees to negotiate this increase in good faith.

FirstHealth fiscal year begins October 1 and any increase in ambulance user fees for the provision of Emergency Medical Services to the recipient of services will become effective on that date. A copy of the new charges will be provided to Chatham County.