

Agreement
Between
Chatham County Public Health Department
And
Monarch

THIS AGREEMENT (“Agreement”) is made and entered into April 20, 2026 by and between Chatham County, acting by and through its Public Health Department (hereinafter referred to as “County”), and Monarch (“Monarch”) for the purpose of supporting the establishment of a new day program for adults with intellectual and developmental disabilities (I/DD) in Chatham County.

This Agreement is subject to the provisions of all applicable Federal and State laws, regulations, policies, and standards related to the services or work resulting herein. This Agreement may be amended to change the scope and terms, if mutually agreed upon. Such changes will be incorporated as a written amendment to this Agreement.

WHEREAS, County seeks to build a healthy Chatham County through community partnerships and a commitment to equity and works with partner agencies and organizations to address gaps in access to needed services; and

WHEREAS, Monarch’s mission is to provide hope, promote wellness, and empower individuals and families impacted by mental illness, substance use disorders, intellectual and developmental disabilities (I/DD), and traumatic brain injury; and

WHEREAS, day programs for adults with I/DD are supervised programs in a community group setting offered during the day to promote social, physical, and emotional well-being while helping adults build skills they can use in the community or at work; and

WHEREAS, a community needs assessment conducted in 2024 demonstrated a strong need for a day program for adults with I/DD in Chatham County, with more than 70 individuals responding that either they or a family member would utilize such a service; and

WHEREAS, the County has allocated funding to support the establishment of a day program for adults with I/DD in Chatham County; and

WHEREAS, Monarch has extensive experience operating such day programs in North Carolina and is committed to creating and operating such a program in Chatham County with start-up funding support from the County.

NOW, THEREFORE, for and in consideration of the premises and the respective benefits flowing to the parties, County and Monarch, intending to be legally bound, contract, and agree as follows:

1. Purpose of Agreement; Monarch Obligations. This Agreement is entered into to provide to Monarch funds to support the establishment of a day program in Chatham County for adults with I/DD. Funds may be used to pay costs associated with establishing and operating such

a program in Chatham County, in accordance with the benchmarks set forth in this Agreement. Allowable costs include rent, staffing, program supplies, furniture and equipment, facility renovations for the property in which the day program will be housed, and reasonable administrative/overhead costs for the program or facility. Funds may not be used to purchase property or for the construction of a new facility, or for costs not associated with the day program. Monarch covenants and agrees that it will use the County funds appropriated and paid under this Agreement for the sole purposes as herein stated and defined, and, in addition, for and in consideration of the receipt of the County funds hereunder, Monarch contracts, covenants, and agrees that it will provide day program services to residents of Chatham County during the full term of this Agreement, and make every reasonable effort to sustain the services in Chatham County beyond this term.

- a. Licenses and Permits. To the extent applicable, Monarch agrees to obtain all necessary permits, licenses, and approvals and to meet all governmental regulatory requirements, environmental and otherwise for the costs and services contemplated under this Agreement.
 - b. Taxes. Monarch assumes full responsibility for the payment of all assessments, payroll taxes, or contributions, whether State or Federal, as to all employees engaged in the performance of work under this Agreement. In addition, Monarch agrees to pay any and all gross receipts, compensation, transaction, sales, use, or other taxes and assessments of whatever nature and kind levied or assessed as a consequence of the work performed or on the compensation paid under this Agreement.
2. Term of Agreement. The term of this Agreement shall commence on March 1, 2026, and end on June 30, 2027, unless terminated hereinafter set forth.
 3. Compensation. To support the work of Monarch in providing the goods and/or services to the public, the County has awarded Monarch a grant in the amount of \$200,000.00. Monarch agrees to abide by any special conditions outlined in this Agreement.
 4. County Appropriation for Day Program Start-up. Funds allocated by the County are made available to Monarch to assist in delivering services to the public as provided for in N.C.G.S. §153A-449. As set forth in Section 1, the County funds may be used to support the establishment of a day program in Chatham County for adults with I/DD. The facility housing such program shall be used solely to provide the Monarch Services and other ancillary services or operations related thereto. County shall pay Monarch in four equal installments of \$50,000.00 (fifty-thousand dollars) when each of the following benchmarks have been satisfactorily met:
 - a. The Monarch Adult Day Program in Chatham County receives licensure from the NC Department of Health and Human Services (NCDHHS).
 - b. The Monarch Adult Day Program in Chatham County initiates operations (i.e., opening day) and begins providing day program services to clients.
 - c. The Monarch Adult Day Program has maintained six (6) months of continuous operations.

- d. The Monarch Adult Day Program has maintained twelve (12) months of continuous operations.
5. Invoicing and Payment. Monarch shall provide the County with proper documentation that each benchmark has been met when invoicing the County for payment. The County shall have the right, but not the obligation, to inspect the work for which payment is being sought to determine whether in its opinion the work has been satisfactorily completed. The period during which the County may inspect the work shall begin on the date the payment request is received (i.e., invoice has been submitted to the County) and end fifteen (15) business days thereafter (the "Inspection Period"). Within 15 days of the end of the Inspection Period, the County shall pay Monarch for all authorized obligations included in the draw request. If the County believes that any work included in a draw request was not satisfactorily completed, it may withhold payment for that portion of the payment request until the County and Monarch have discussed the payment request and mutually agreed upon a fair and equitable resolution.
6. Audit of Monarch's Financial Records. Monarch may be asked to provide records to show that all funds given by the County are spent as agreed upon in Section 1, and Monarch shall endeavor to provide such records as soon as practicable following a request from the County. Monarch will immediately notify the County's agent of any legal, financial, or organizational matters or program changes that may impact Monarch's ability to operate or deliver the services contemplated herein.
7. Insurance. Monarch shall maintain insurance policies as shown in Appendix 1 for the entire term of this Agreement as well as any subsequent amendments.

All insurance policies shall be issued by companies authorized to do business under the laws of the State of North Carolina and shall be rated not less than "A" by A.M. Best and Company. Monarchs shall furnish Certificates of Insurance to the County, naming the County as an additional insured, prior to the commencement of Services. The certificates shall clearly indicate that Monarch has obtained insurance of the type, amount, and classifications as required for strict compliance with this paragraph and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the County. Compliance with the foregoing requirements shall not relieve Monarch from any liability or obligations under this Agreement.

The County requires all that all contractors carry workers' compensation insurance. The County recognizes that contractors with fewer than three employees are not statutorily required to carry said insurance. The County reserves the right to waive the requirement to carry workers' compensation insurance on a case-by-case basis. If the contractor's status changes during the term of an agreement and worker's compensation insurance becomes statutorily required, the contractor must provide proof of said coverage to the County.

8. Status of Parties. Nothing contained in this Agreement shall be construed as establishing a partnership or joint venture relationship between Monarch and the County. Monarch and its employees and representatives are independent contractors, solely responsible for its or

their performance under this Agreement and shall have no legal authority to bind the County.

9. Assignment and Subcontracting. Neither this Agreement nor any rights or obligations hereunder shall be subcontracted, assigned, or delegated by Monarch without prior written consent of the County, which consent may be withheld in the County's sole discretion.
10. Binding Effect. This Agreement shall be binding upon the Parties hereto, their heirs, administrators, executors, successors and assigns, if such assignment has been approved by the County.
11. Notices. Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given on the date delivered personally or deposited in the United States Postal Service, certified mail, return receipt requested, with adequate postage affixed, address as follows:

Chatham County
Attn: Mike Zelek, Public Health Director
Post Office Box 130
Pittsboro, North Carolina 27312
919.542.8215

Monarch
Attn: Peggy Terhune
350 Pee Dee Avenue
Suite 100
Albemarle, NC 28001
704.305.0752
peggy.terhune@monarchnc.org

12. Governing Law. This Agreement and the rights and obligations to the Parties hereunder shall be construed and governed by the laws of the State of North Carolina, and the venue for any proceedings arising hereunder shall be in the state court of appropriate jurisdiction located in Chatham County, North Carolina.
13. Modifications. This Agreement may be amended or modified only by the mutual written consent of the Parties. A modification is not enforceable against the County unless it is signed by the County Manager or other duly authorized official.
14. Entire Agreement. This Agreement contains the entire agreement between the Parties pertaining to the subject matter of this Agreement. With respect to that subject matter, there are no promises, agreements, conditions, inducements, warranties, or understandings, written or oral expressed or implied, between the Parties, other than as set forth or referenced in this Agreement.
15. Waiver. A waiver of any provision of this Agreement must be in writing, designated as such, and signed by the Party against whom enforcement of the waiver is sought. The waiver of a breach of any provisions of this Agreement shall not operate or be construed as waiver of subsequent or other breach thereof.
16. Termination. This Agreement may be terminated as follows:
 - i. Cause: If the services provided by Monarch under this Agreement are not

performed as specified herein, this Agreement may be terminated by the County for cause. Grounds for termination for cause shall include, but not be limited to, the following:

1. Failure to respond to reasonable requests from the County to provide the Services covered by this Agreement.
2. Failure to maintain the insurance required by this Agreement.
3. Charging rates or fees in excess of those permitted under this Agreement.
4. Inefficient, or unsafe practices in providing Services.
5. The material breach of any provision of this Agreement.

- ii. Convenience: The County reserves the right to terminate this Agreement upon thirty (30) days prior written notice to Monarch for any reason deemed by the County to serve the public interest. This termination for convenience will not be made when termination is authorized under any other provision of this Agreement. In the event of such termination, the County shall pay Monarch its costs directly attributable to those Services received by the County prior to termination that meet the requirements of this Agreement. Provided however, that no costs will be paid to Monarch that are recoverable in Monarch's normal course of doing business. The County is not liable for the loss of any profits anticipated to be made hereunder, nor for any special, consequential, or similar damage.

17. Annual Appropriations and Funding. This Agreement is subject to the annual appropriation of funds by the Chatham County Board of Commissioners. Notwithstanding any provision herein to the contrary, in the event that funds are not appropriated for this Agreement, the County shall be entitled to immediately terminate this Agreement, without penalty or liability, except the payment for all Services satisfactorily provided under this Agreement up to and through Monarch's receipt of notice of termination.

18. Indemnity. Monarch agrees to indemnify and hold harmless, the County, its officers, agents, servants, and employees from an all claims, actions, lawsuits, losses, damages, expenses, judgments or liabilities of any kind whatsoever (including without limitation, cost of defense and attorney fees) suffered by the County and proximately caused by an omission of Monarch, its subcontractors, agents, or employees.

19. State and Federal Requirements. By signing this Agreement, Monarch certifies that (*if applicable*) Monarch, and any of Monarch's subcontractors are in compliance with State and Federal laws, including any divestment list by the NC State Treasurer and Federal or State debarment or suspension lists. The County Terms and Conditions are incorporated herein, made an integral part of this Agreement, and may be found at the County's web site: <https://www.chathamcountync.gov/government/departments-programs-a-h/finance/forms>. A hard copy of the Terms and Conditions is available upon request.

20. Controlling Document. In the event of any conflict between this Agreement and any document, instrument, or other agreement prepared or provided by Monarch (including, without limitation, Monarch's purchase orders, invoices and warranties), the terms of this Agreement shall control.

CHATHAM COUNTY

By: _____
Michael Zelek, Public Health Director

CONTRACTOR

By: _____

Name: _____

Title: _____

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

Roy Lynch, Finance Director

APPENDIX 1

INSURANCE REQUIREMENTS

General / Professional Liability

\$ 100,000 bodily injury per person

\$ 500,000 bodily injury per occurrence

\$ 100,000 property damage