



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU"), is made and entered as of June 28, 2018 ("Effective Date") by and between Cardinal Innovations Healthcare, a Local Management Entity/Managed Care Organization with principal offices located at 550 South Caldwell Street, Suite 1500, Charlotte, NC 28202 ("Cardinal Innovations") and Chatham County Government, with a place of business located at 12 East Street, Pittsboro, NC 27312 ("Recipient") (collectively, the "Parties" and each a "Party").

1. Background.

- a. Cardinal Innovations is a local management entity established pursuant to N.C. Gen. Stat. § 122C-115, *et seq.*, and operates as a Prepaid Inpatient Health Plan, a type of Managed Care Organization under 42 C.F.R. §438.2.
- b. Cardinal Innovations is the local management entity responsible for publicly-funded mental health, substance use disorder and intellectual/developmental disabilities services in the following twenty counties: Alamance, Cabarrus, Caswell, Chatham, Davidson, Davie, Forsyth, Franklin, Granville, Halifax, Mecklenburg, Orange, Person, Rockingham, Rowan, Stanly, Stokes, Union, Vance and Warren.
- c. Cardinal Innovations created the Community Reinvestment Initiative as a way to make stable, sustainable investments across its twenty county service area. Through this initiative, Cardinal Innovations asked organizations to submit proposals for programs that would improve health outcomes for its members with intellectual and developmental disabilities, mental health conditions, and substance use disorders.
- d. Recipient submitted one of the Community Initiative Reinvestment proposals selected by Cardinal Innovations for funding.
- e. Cardinal Innovations desires to provide a \$11,250.00 grant to Recipient to assist with the selected Community Reinvestment Initiative proposal for the Expansion of Primary Mental Health Service Space.
- f. The Parties desire to enter into this MOU regarding the limited investment to be provided by Cardinal Innovations.

2. Terms and Conditions.

- a. Recipient, Chatham County Government
 - 1) agrees to only utilize funds as expressly outlined in its submitted Community Reinvestment Initiative proposal. In the event modifications or changes to the proposal become necessary or desired during the Term of this MOU, Recipient must obtain written approval from Cardinal Innovations prior to spending any provided funds on such changes. Cardinal Innovations reserves the right to not approve changes that deviate significantly from the submitted proposal and to require that the provided funds either be expended in accordance with the submitted (or similar) proposal or returned.



- 2) agrees that the funds provided shall be fully utilized or completely allocated by June 30, 2019 or returned to Cardinal Innovations by July 31, 2019.
- 3) agrees to quarterly site visits and/or conference calls (beginning October 1, 2018 through June 30, 2019) to assess progress and expenditures in advance of the proposal implementation deadline of June 30, 2019. Recipient also agrees to promptly provide quarterly financial reports and/or other documents evidencing progress, if requested by Cardinal Innovations.

- b. Cardinal Innovations agrees to provide Recipient, under the terms and conditions of this MOU, the payment amount set forth in Section 3 of this MOU in order to support the Recipient's Community Reinvestment Initiative proposal.

3. Payment.

- a. Cardinal Innovations agrees to pay \$11,250.00 to Recipient in a one-time, lump sum payment. Such payment shall be Cardinal Innovations' sole financial obligation regarding Recipient's Community Reinvestment Initiative proposal.

4. Term and Termination.

- a. **Term and Termination.** This MOU shall commence as of the Effective Date and shall continue thereafter until July 31, 2019 ("Term"), unless terminated earlier by Cardinal Innovations. Cardinal Innovations has the right to terminate this MOU (and require a return of provided funds) in the event that Recipient materially breaches any of its obligations under this MOU and fails to cure such breach(es) within thirty (30) days after written notice thereof.
- b. Notwithstanding this Term, the Parties agree and acknowledge that payment by Cardinal Innovations is a one-time payment with Cardinal Innovations having no further or ongoing financial obligation of any kind to Recipient under this MOU.

5. **Relationship of the Parties.** Nothing contained in this MOU shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, except as otherwise provided by law, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever. Furthermore, each Party shall be responsible for, and hold the other harmless from, any injuries caused by it or suffered by its personnel during the performance of this MOU.

6. **Assignment.** Neither Party may assign, transfer or delegate any or all of its rights or obligations under this MOU, without the prior written consent of the other Party.

7. **Successors and Assigns.** This MOU is binding on and inures to the benefit of the Parties and their respective successors and permitted assigns.

8. **Force Majeure.** If the Parties are delayed in performance of any obligations hereunder, or prevented entirely from performing any such obligation due to causes or events beyond their control, including without limitation any act of God, fire, strike or other labor problem, present or future law, government order, rule or regulation (state and local, including any agency subdivision or instrumentality thereof), such delay or nonperformance shall be excused and the time for performance shall be extended to include the period of such delay or nonperformance.

9. **Amendments and Waiver.** This MOU may not be amended or modified except by written instrument executed by the Parties hereto. The terms of this MOU may not be waived except by written instrument executed by the Party against whom such waiver is to be enforced.
10. **Severability.** If any part or provision of this MOU is found invalid or unenforceable pursuant to judicial decree, the remainder of this MOU shall remain valid and enforceable according to its terms. This MOU shall be construed and interpreted to comport with all such laws, rules or regulations to the maximum extent possible.
11. **Applicable Law and Venue.** This MOU shall be construed under and governed by the laws of the State of North Carolina, without giving effect to principles of conflict of laws. Venue shall be proper and shall lie exclusively in the Superior Court of Mecklenburg County, North Carolina.
12. **Entire Agreement.** This MOU embodies the entire agreement and understanding between the Parties and supersedes any prior or contemporaneous understandings or agreements, written or oral, relating to the subject matter of this MOU.

IN WITNESS WHEREOF, the Parties hereby execute and deliver this Memorandum of Understanding as of the Effective Date.

Chatham County Government

By: Renee Paschal

Name: Renee Paschal

Title: County Manager

Date: 6/27/18

Cardinal Innovations Healthcare

By: Charles G. Suttell III

Name: Charles G. Suttell III

Title: CEO

Date: 7/16/18