

Minutes of the 13 October 2009
Special Meeting of the Yancey County Board of Commissioners
Held at 5:00 o'clock p.m. in the Commissioner's Meeting Room
Yancey County Courthouse, Burnsville, North Carolina

Present at the 13 October 2009 meeting of the Yancey County Board of County Commissioners were Chairman Walter Savage, Member Jerri Storie, Member Johnny Riddle, County Manager Nathan Bennett, Clerk to the Board Jason Robinson, Regional Planner Michelle Ball, Executive Director of Northwest Housing Authority Ned Fowler, and members of the general public.

Chairman Savage called the meeting to order and reminded all those in attendance that this was a public meeting but that since this was a special meeting no public comment will be given today. Chairman Savage then made a motion to approve the agenda. The motion was seconded by Commissioner Storie and the vote to approve was unanimous. (Attachment A)

The Board then heard from Michelle Ball about the Community Development Block Grant (CDBG) program. Ms. Ball informed the Board that she originally thought that a public hearing would be needed for an amendment to the CDBG program but there actually will not be a need for an amendment to the grant that a line item already exists that she can pull money from. Ms. Ball stated that three homes have been chosen for a rehabilitation and relocation program for the CDBG during this cycle. These homes were selected in 2007 and the \$400,000 only became available for use back in December. Ms. Ball thanked the Board for their support.

The Board then heard from Ned Fowler, Executive Director of the Northwest Housing Authority. Mr. Fowler stated that unlike a lot of people that come before the Board he is not asking for any money. Mr. Fowler stated that this was a critical time for affordable housing in Yancey County and for the past 30 years Northwest Housing Authority has provided an avenue for people to pursue affordable housing which began in Yancey County in 1979. Mr. Fowler also provided the Board with the annual report from the Northwest Regional Housing Authority. Mr. Fowler also stated that he had come before the Board to remind them that they have been given an appointment to the regional housing governing board by the North Carolina General Statutes. This appointment is for five years and is currently being held by Lewis McEntyre Jr. who has held the appointment for the last 4 terms and currently serves as chairman of the board. Mr. Fowler stated that Mr. McEntyre has provided excellent leadership during his term in office. The Board then heard from Mr. Earl Tipton, board member of the Northwest Housing Authority Enterprise. Mr. Tipton stated that he would respectfully request that Mr. McEntyre be reappointed. Discussion followed about the future plans of the Northwest Regional Housing Authority and how the Housing Authority can be used to restore historical structures. Chairman Savage stated that the Board would take the appointment under advisement and would appoint an individual at the next meeting.

The Board then heard from County Manager Nathan Bennett about an appointment to the Western Highlands Network Board of Directors appointment. Mr. Bennett stated that this appointment was necessary because of Mrs. Nancy Carey has served the maximum number of terms on that board and has to come off. Mr. Bennett stated that he had been in contact with Mr. Joe Martin who is in the process of retiring after many years of providing mental health care to the residents of Yancey County. Mr. Martin expressed an interest in being on the Western Highlands Network Board. Mr. Bob Carey, Chair of the Yancey County Mental Health Task Force, spoke in favor of Mr. Martin's appointment to the Western Highlands Board. After hearing from County Manager Bennett Commissioner Riddle made a motion to appoint Mr. Joe Martin for a three year term to the Western Highlands Network Board of Directors beginning on November 1, 2009. The motion was seconded by Commissioner Storie and the vote to approve the nomination was unanimous.

The Board next heard from Sandy Feutz, a licensed clinical social worker with RHA Health Services Inc. Ms. Feutz informed the Board that her company RHA has been working with Western Highlands Network and Alpha Omega to transition some services from Alpha Omega to RHA. Ms. Feutz provided a list of services that RHA is planning on provide for Yancey County (Attachment B). Many of the services would stay the same as with Alpha Omega but other services would also be provided. Ms. Feutz stated that she was coming before the Board to ask for Yancey County's Maintenance of Effort money, \$26,000 that is required by

North Carolina General Statutes to provide mental health, substance abuse, and developmental disability services within the county, on behalf of RHA. Upon hearing from Ms. Feutz Chairman Savage made a motion to authorize the County Manager to provide RHA the Maintenance of Effort money through Western Highlands Network. The motion was seconded by Commissioner Storie and the vote to approve was unanimous. The Board then heard from County Manager Bennett that the building that the County has always provided for mental health services has never had a lease. Mr. Bennett advised the Board that a lease for the building would be in order at this time. Chairman Savage then made a motion to authorize the County Manager to enter into a lease agreement with RHA Health for the use of the county facility located at 72 Blue Ridge Lane. The motion was seconded by Commissioner Storie and the vote to approve was unanimous.

The Board then heard from County Manager Bennett about the Slagle Building Lease. This is the building that houses children and family services for DSS. County Manager Bennett stated that the owner of the building wanted a three year lease but due to the proposed renovation of the former Yancey Medical Center that Mr. Bennett doesn't believe a long term lease is in the best interest of the County. Upon hearing from Mr. Bennett Commissioner Riddle made a motion to authorize the County Manager to negotiate and enter into a lease agreement for the continued use of the Slagle Building on behalf of Yancey County.

The Board then heard from Ms. Lisa Harrell and Mr. Dennis Wilson of D&D Enterprises. D&D Enterprises provides Child Support Enforcement for the County. Ms. Harrell reported on the progress that has been made to bring the child support numbers back into line with the rest of the state. She stated that progress is being made but there is still some room for improvement. Upon hearing from Ms. Harrell Chairman Savage made a motion to extend the current contract with D&D Enterprises for a period of 1 year ending on September 1, 2010. The motion was seconded by Commissioner Storie and the vote to approve was unanimous.

Chairman Savage then asked for a motion to amend the agenda to include an item about mining in Pensacola. The motion to amend the agenda was made by Commissioner Storie and was seconded by Chairman Savage.

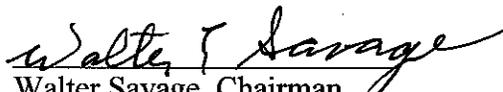
Chairman Savage then asked County Manager Bennett for an update. Mr. Bennett stated that the County had been notified of a surface mining permit application to the North Carolina Department of Environment and Natural Resources. He stated that all of the proper home owners have been notified as well. One problem that exists is that the County has a Watershed Protection Ordinance that the mining would be subject to and the Town of Burnsville gets their water from near the site of the mining. Mr. Bennett informed the Board that the Town of Burnsville is asking the North Carolina Department of Environment and Natural Resources to hold a public hearing on the matter. Upon hearing from Mr. Bennett Chairman Savage made a motion to authorize the County Manager to notify the North Carolina Department of Environment and Natural Resources that Yancey County would join with the Town of Burnsville to request a public hearing about this issue. The motion was seconded by Commissioner Storie and the motion to approve was unanimous.

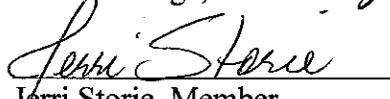
Having no further business Commissioner Storie made a motion to adjourn and it was seconded by Commissioner Riddle. The vote to adjourn was unanimous.

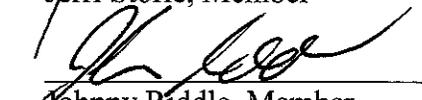
Approved and authenticated on this the 3rd day of November 2009.

Attest:


J. Jason Robinson
Clerk to the Board


Walter Savage, Chairman


Jerri Storie, Member


Johnny Riddle, Member

(county seal)





Attachment A

Nathan Bennett, *County Manager*

Walter Savage, *Chairman*

Jerri Storie, *Commissioner*

Johnny Riddle, *Commissioner*

YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714
PHONE: (828) 682-3971 • FAX: (828) 682-4301

AGENDA YANCEY COUNTY COMMISSIONERS SPECIAL MEETING OCTOBER 13, 2009

- I. Call to Order---Chairman Savage
- II. Approval of the Agenda
- III. Public Hearing-CDBG Amendment
- IV. CDBG Amendment
- V. Northwest Housing Authority Board Appointment
- VI. Western Highlands Network Board Appointment
- VII. RHA Behavioral Health-Presentation
- VIII. Slagle Lease
- IX. Child Support Enforcement Contract
- X. Adjourn



72 Blue Ridge Lane
Burnsville, NC 28714
Phone: 828-682-2111
Fax: 828-682-9323

Services Currently Available

- Crisis Walk-in/Emergency Services
- Work First Assessments for DSS
- Psychiatric Evaluation and Management
- Outpatient Therapy
- Community Support Team
- Intensive In-Home Services

Services in Transition

- Substance Abuse Treatment—including DWI, via ARP Phoenix
- Assertive Community Treatment Team (ACTT)

Other RHA/ARP Services That May Benefit Yancey County Residents

- Discharge Planning and Treatment Team
- Neil Dobbins Center Crisis Stabilization/Detox Unit



- RHA is a non-profit company dedicated to providing quality services to individuals with mental illness, substance abuse and developmental disabilities across North Carolina and Tennessee.
- RHA has been providing services in North Carolina since 1989.
- RHA has been accredited by the Council on Quality and Leadership (CQL) since 2001.
- RHA has been providing Behavioral Health Services in the Western Highlands Network area since 2006.
- RHA has been providing services to Yancey County residents since April 2008.

Prepared By Donny J. Laws, Attorney at Law, PO Box 397, Burnsville, NC 28714

STATE OF NORTH CAROLINA

LEASE AGREEMENT

COUNTY OF YANCEY

5 November 2009

THIS LEASE AGREEMENT is made and entered into on this the day and year first above written, by and between **LEE SLAGLE and wife, MYRLE SLAGLE** hereinafter referred to as "Lessors" and **YANCEY COUNTY, a Body Politic and Corporate of the State of North Carolina** hereinafter referred to as "Lessee"; thus

WITNESSETH

THAT FOR AND in consideration of the mutual covenants hereinafter set forth the Lessors do hereby lease and grant unto the Lessee herein, its successors and assigns, certain demised premises upon the following terms and conditions:

- 1) **Consideration:** That the considerations for this lease are its terms, provisions, and conditions, and the payment of rental payments due as herein provided.
- 2) **Demised Premises:** That the premises hereby leased and granted by the Lessors unto the Lessee are the building and paved parking area known as the "Slagle Building" located and being situated in Burnsville Township, Yancey County, North Carolina, and is intended to cover all of the real property described in a deed recorded at Yancey County Deed Book 121, Page 318, to which reference is hereby made for a more full and complete description of the same by metes and bounds.

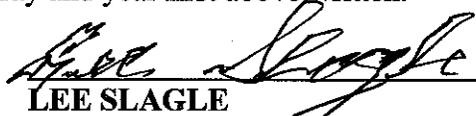
- 3) Term: That the term and duration of this Lease shall be from 1 November 2009 through and until 31 October 2010; further that the Lessee shall have the option to renew this Lease for an additional twelve (12) month period upon giving unto the Lessors written notice of their intent to do so within thirty (30) days prior to the expiration of the initial lease term; further that in the event that such option to renew is exercised, the lease for 1 November 2010 through and until 31 October 2011 shall be upon the same terms and provisions as set forth herein with the specific exception that 1) the fee for the rental of the demised premises during the such renewed term shall be \$20,600.00 *per annum* and shall be payable in consecutive monthly installments of \$1,700.00 from November 2010 through June 2011, and \$1,750.00 consecutive monthly installments for the months of July, August, September, and October 2011, and 2) the Lessee shall be entitled to terminate the renewed lease at any time during the renewed term thereof by giving ninety (90) days advance notice of its intent to do so in writing to the Lessor.
- 4) Rental Payments: That the rental payments due for the initial term of this Lease as set forth herein above shall be \$18,800.00 *per annum* and shall be payable in consecutive monthly installments of \$1,500.00 on the first day of each month beginning 1 November 2009 through 1 June 2010, and thereafter for the remaining months of the initial lease term (i.e. 1 July 2010 through 1 October 2010) such monthly installments shall be in an amount of \$1,700.00 per month; further that the Lessors do hereby assign all their right, title, and interest in and to the rental payments due hereunder to Roger Slagle and do hereby direct that all such payments due hereunder shall be made directly to Roger Slagle in accordance with the terms herein set forth.
- 5) Usage: That the use of the demised premises shall be for office space for the Yancey County Social Services Department and in such use the Lessee shall comply with all County, State, and Federal ordinances, laws, rules, and regulations; further that the Lessee shall not use nor permit the demised premises to be used for any other purposes and shall neither permit on the premises any act, sale, or storage that may be prohibited under standard forms of fire insurance policies, nor use the premises for any such purpose; further that no use shall be made or permitted to be made that shall result in 1) waste on the premises, 2) a public or private nuisance that may disturb the quiet enjoyment of adjacent premises, or 3) improper, unlawful, or objectionable use.
- 6) Ad Valorem Tax: The Lessor shall be solely responsible for and timely pay all county *ad valorem* taxes due upon the demised premises.
- 7) Utilities: Any and all charges for water, telephones, electricity, heat, and any and all other utilities shall be the responsibility of the Lessee.

- 8) Insurance: Maintenance of fire insurance upon the demised premises insuring the same against loss shall be the responsibility of the Lessor; further that insurance upon the contents of the demised premises shall be the responsibility of the Lessee.
- 9) Maintenance & Upkeep: That repairs needed to keep the roof and outside walls in good repair and condition shall be the responsibility of the Lessors; further that the Lessee shall maintain and repair and replace any broken or damaged windows and doors; further that the Lessee shall maintain and keep the interior of said building, plumbing, and heating in good repair; further that any damage to said building or other premises caused by the Lessee or those permitted upon the demised premises by the Lessee shall be repaired by the Lessee; further that upon termination of this Lease the Lessee shall return said building to the Lessors in as good a condition as when the Lessee took possession, usual wear and tear and loss by fire or casualty excepted.
- 10) Alterations: Lessee may make alterations, repairs, and changes to the interior of the building situated upon the demised premises at its own expense, with prior notice to the Lessors, so as to create work spaces and office to meet the needs of the Lessee; further that all such alterations, repairs, and changes shall be performed in a workmanlike manner and shall not weaken or impair the structural strength, or lessen the value of the building and all such alterations, additions, and improvements shall become part of the demised premises and the sole property of the Lessors, except that the Lessee may remove partitions, counters, railing, and similarly installed improvements when surrendering the premises.
- 11) Waiver of Claims: The Lessee waives claims against the Lessors for damages to goods or for injuries to persons or entities on or about the premises arising at any time from the Lessee's negligence in use or maintenance of the premises; further that the Lessee shall indemnify the Lessors on account of any damages or injury to any person or entity, or to the goods of any person or entity, arising from the negligent use of the demised premises by the Lessee, or arising from the negligent failure of the Lessee to keep the premises in good condition as herein provided.
- 12) Assignment: No transfer or assignment or subletting of this Lease, in whole or in part, or any interest therein, shall be made without the prior written consent of the Lessors and any act by the Lessee in violation of said provisions shall be a breach of this Lease on its part with the right of the Lessors to immediately terminate this Lease.
- 13) Termination: Termination of this Lease may be effected by failure of the Lessee to pay any rental when due and payable as set forth herein above, or by any other breach of the terms of this lease by the Lessee provided such breach or default in payment has not been rectified within ten (10) days after written

notice of the same is given to the Lessee by the Lessors; further that upon termination of this Lease all rights hereunder shall automatically end, except as a basis for the Lessors to collect damages or indebtedness due them by the Lessee and that upon termination of this Lease for any cause whatever, the Lessors shall have the right to immediately reenter and take possession of the demised premises.

- 14) Damage or Destruction by Fire: If, during the term of this Lease, the building situated upon the demised premises is damaged by fire or other casualty in a minor degree, but not to such extent that it becomes necessary for the Lessee to abandon the use of said premises, the Lessors shall repair such damage as quickly as is reasonable and possible; but, if said building be destroyed or damaged to such an extent that it is necessary for the Lessee to abandon the use thereof, then and in that event the Lease shall terminate as of the date of such damage.
- 15) Condemnation: Condemnation by eminent domain for highway purposes shall not affect this Lease if the affected portion lies only to the south of the southern end of the existing building situated upon the demised premises.
- 16) Covenants: The Lessors covenant to and with the Lessee, its successors and assigns, that they are the owners in fee simple of the demised premises, and have a right to lease and grant the same unto the Lessee in accordance with the terms, provisions, and conditions of this Lease, and that said premises are free and clear from all liens, encumbrances, and claims of others, and that they will forever warranty and defend the title thereto against the claims of any and all other persons or entities whatsoever.
- 17) Notices: Any and all notices and correspondence to be exchanged between the parties hereto shall be to Roger Slagle on behalf of the Lessors at 2390 New Leicester Highway, Asheville, NC 28806 , and to the Lessee at 110 Town Square, Room 11, Burnsville, NC 28714.

IN WITNESS WHEREOF and by authority of its governing board conferred upon , the County Manager of Yancey County, the parties to this Lease Agreement have executed the same in duplicate on this the day and year first above written.

 (SEAL)
LEE SLAGLE

 (SEAL)
MYRLE MARIE SLAGLE

YANCEY COUNTY, a Governmental
Body Politic and Corporate of the
State of North Carolina

By: Nathan R. Bennett
Nathan R. Bennett, County Manager

Attest:

J. Jason Robinson
J. Jason Robinson,
Clerk to the Board of Commissioners



STATE OF NORTH CAROLINA
COUNTY OF HAYWOOD

I, WANDA F. REECE, a Notary Public of the State and County
aforesaid do hereby that Lee Slagle and wife, Myrle Slagle did personally appear before
me and did acknowledge their due execution of the foregoing agreement for all of the
purposes therein expressed. WITNESS my hand and official seal on this the 5th day
of November 2009.

Wanda F. Reece
Notary Public
My Commission Expires: 8/21/2010

Wanda F. Reece
Notary Public
Haywood County, NC
My Commission Expires August 21, 2010

STATE OF NORTH CAROLINA
COUNTY OF YANCEY

I, Jamie G. McWhorter, a Notary Public of the State and County
aforesaid do hereby that Nathan R. Bennett, Yancey County Manager, did personally
appear before me and did acknowledge their due execution of the foregoing agreement
for all of the purposes therein expressed on behalf of Yancey County, a governmental
body politic and corporate of the State of North Carolina, as and for the true act and deed
of the said county, as authorized by resolution of its governing board, and attested by J.
Jason Robinson, Yancey County Clerk, and sealed by him with the seal of the county.
WITNESS my hand and official seal on this the 5th day of November 2009.

Jamie G. McWhorter
Notary Public
My Commission Expires:

CONTRACT FOR CHILD SUPPORT ENFORCEMENT SERVICES

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

This Agreement is made and entered into this the 13th day of October, 2009, by and between **D & D COLLECTIONS, LLC**, hereinafter referred to as "**Contractor**," and **YANCEY COUNTY**, hereinafter referred to as "**County**."

This Agreement is made pursuant to the authority conferred upon the County pursuant to N.C. Gen. Stat. § 110-141 and N.C. Gen. Stat. §153A-259.

WITNESSETH:

Whereas, the County is authorized to contract with any governmental agency, person, association, or corporation for the provision of social services; and

Whereas, the County has been operating a program for child support enforcement pursuant to the authority conferred upon it by the North Carolina General Assembly; and

Whereas, the County is authorized to negotiate alternative arrangements to the procedures outlined in N.C. Gen. Stat. §110-130 for the operation of the child support enforcement program in the county; and

Whereas, the County desires to improve its Standards for Program Operations as set forth in 45 CFR, Part 303 of the Code of Federal for operating its Child Support Enforcement Program and TANF Program; and

Whereas, the Contractor possesses unique knowledge and skills related to the operation of the Child Support Enforcement program in the nation and particularly North Carolina and the Contractor has the skills, knowledge, expertise and resources necessary to benefit the County in that Contractor staff has extensive experience as managers of child support enforcement programs; and

Whereas, the County and the Contractor have negotiated for the performance of certain technical and professional services; whereas, County wishes to enter into an agreement with Contractor to become the Designated Representative as that term is defined in N.C. Gen. Stat. §110-129(5) for Yancey County and operate the Child Support Enforcement Program therein.

Whereas, the parties hereto desire to reduce the terms of this agreement to writing; and

Now, therefore, in consideration of the mutual promises set forth herein, the parties agree as follows:

1.0 Scope of Work

The services to be performed under this Contract shall be as outlined below and as specified by the County:

1.1 County Responsibilities

1.1.1 To notify North Carolina Department of Health and Human Services that D & D Collections, LLC, is the Designated Representative of Programs as defined in N.C. Gen. Stat. §110-129 (5) for Yancey County and that all future correspondence must also be directed to D & D Collections, LLC, at the address provided.

1.1.2 To prepare and transmit referrals to the Contractor on appropriate cases pursuant to Title IV-D. Such referral shall be made through the Eligibility Information System interface. Such referrals will contain the name of the recipient, names of the children and the associated absent parent, if known, such identifying information as is available to assist in the location and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount to the family's assistance grant, available data relative to the absent parent's whereabouts and employment, and any other available information which may relate to the support process.

1.1.3 To provide pertinent information relative to changes of status in referred cases, including, but not limited to a change in NONTANF status to TANF eligible. Such referral shall be made through the Eligibility Information System interface.

1.1.4 To consult with the Contractor concerning potential settlements affecting the rights of the County and act as liaison with the State concerning any potential settlements that may affect the rights of the State and consult with the Contractor concerning any adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by the Contractor.

1.1.5 To furnish Contractor with all materials and equipment furnished by the State to operate the Child Support Program in the County. Such materials and equipment consist of the ACTS equipment furnished by the State and any program manuals associated with the IV-D program, including those covering ACTS.

1.1.6 To provide the services of Sheriff's deputies for service of process, warrant execution, and other activities mutually agreed to by the County and the Contractor.

1.2 Contractors Responsibilities

Under this Contract the Contractor shall have the following responsibilities:

1.2.1 To establish and maintain a child support enforcement program in Yancey County which complies with the provisions of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, Article 9, Chapter 110 of the North Carolina General Statutes, as amended, State laws and regulations, and to be totally responsible and accountable for the proper operation of such program for all current, ongoing, and backlog cases in Yancey County.

1.2.2 To provide all child support enforcement services following standard and accepted child support practices, policies and procedures and in doing so pursuing the best interest of the child(ren) for whom support is sought.

1.2.3 To provide testimony, evidence and support necessary for the establishment of paternity, establishment and enforcement of child support orders, and the review and modification of support orders pursuant to federal and state laws, in civil, criminal and administrative forums. The choice of forum shall be based on the facts of each case, the judgment of legal counsel, and the best interest of the child.

1.2.4 To bring all court actions in the manner as prescribed by N.C. Gen. Stat. §110-130.1 and to notify the appropriate County official in a timely fashion of any judicial or administrative decision or settlement agreement that negatively affects the County's or State's interests and agrees not to enter any settlement which results in the County's or State's loss of revenue. Contractor may appeal from any judicial or administrative order and shall cooperate with the State, in the event, the State chooses to appeal. In the event that Contractor thinks that a decision needs to be appealed, the Contractor shall consult with the appropriate County official prior to filing a Notice of Appeal. The County will notify Contractor within 30 days of signing this agreement as to the name of the appropriate County official.

1.2.5 To utilize the State's automated systems that affect the Child Support Enforcement Program. Any additional automation needs deemed necessary to assist Contractor in carrying out its responsibilities shall be the responsibility of the Contractor. Contractor shall retain all rights to such software developed by the Contractor, at the Contractor's expense, to assist Contractor in carrying out its duties under this Agreement. Software developed by the Contractor at public expense shall be owned by the County. Such software, including source code, shall be returned to the County at the time of contract termination.

1.2.6 To utilize documents produced by the State System. Any additional documents deemed necessary by Contractor shall contain language recommended by the Department of Health and Human Services to assist it in its distribution function.

1.2.7 To immediately respond to the State IV-D agency's central office on any requests for case status or information. Such response shall contain sufficient information regarding the status of the case to permit the State to reply to the inquiring party.

1.2.8 To maintain all records as required by any laws, or regulations enacted by the County, State, and/or Federal governments. Contractor will follow all standards for retention of files after case closure. Records to be destroyed will be done in compliance with both State and Federal regulations and timeframes.

1.2.9 To return all case and automated files to the County at the time of contract termination.

1.2.10 To be responsible for the proper training and management of staff assigned to the project.

1.2.11 To ensure that the child support office administrator and/or staff attend any meetings sponsored by the County and/or State at which attendance is requested upon timely notice. Timely notice means at least 15 days advance notice. Contractor will make every effort to comply if less than 15 days notice is provided.

1.2.12 Upon the request of any State or County Official, the Contractor shall make case files immediately available for audit or case review sampling purposes. The Contractor shall comply with any corrective action as set forth in any non-compliance letter received from the County, State, or Federal government within 30 days of receiving the letter.

1.2.13 To revise and or clarify within fifteen (15) working days any Corrective Action Plan which the County or State determines to be unacceptable in addressing deficiencies.

1.2.14 To refer any cases of fraud related to child support enforcement to the appropriate County and/or State official.

1.2.15 To provide statistical information relative to the caseload and services in such a manner and format as prescribed by the County.

1.2.16 To cooperate fully with the data collection and evaluation activities carried out by the County in connection with the services performed under this contract.

1.2.17 To provide relevant information immediately and file proof of claim with the bankruptcy court on behalf of the County in a timely manner in the event the Contractor receives notice that an obligor has filed a bankruptcy petition.

1.2.18 To collect and return to the County any fees required to be charged under State or Federal law regulation or policy.

1.2.19 To comply fully with the aforementioned and all other provisions of Title IV, Part D of the Social Security Act, as amended, Title 45, Code of Federal Regulations, North Carolina General Statutes, and the program instructions issued by the County.

1.2.20 Contractor shall cooperate, to the fullest extent allowed by law, with other county, state, and federal entities. This provision also covers other entities operating Child Support Enforcement Programs pursuant to Title IV, Part D of the Social Security Act as amended.

1.2.21 During the transition, operation, and post operation of the Program, contractor shall adhere to all confidentiality laws, rules, and regulations pertaining to the child support enforcement program.

1.2.22 Contractor shall advise the county in writing within ten (10) days of the receipt by the contractor of any notice of deficiency from the State or federal government or any adverse audit results.

2.0 Terms and Conditions

2.1 General

This section contains the terms and conditions of this Contract. This Contract is also subject to the provisions of all applicable Federal and State laws, regulations, policies, and standards.

2.1.1 The Contractor agrees that all Title IV-D case files will be maintained and used solely for child support purposes and safeguarded as provided in 45 CFR 303.21, N.C. Gen. Stat. 110-139 and 108A-80. The Contractor will comply with all other applicable laws and regulations in addition to those specifically set forth.

2.1.2 The Contractor further agrees that any information obtained through Federal Parent Locator Services, as well as addresses and asset information obtained through the Internal Revenue Service, must be safeguarded according to 45 CFR 303.70 and 26 U.S.C. 6103(p)4. All personnel authorized to handle such tax related information will sign an IRS Confidentiality Form, to be provided by the State, and will return the signed original to the State. The Contractor will comply with all other applicable laws and regulations in addition to those specifically set forth.

2.2 Amendment

No modification or change of any provision in this Contract shall be made, or be construed to have been made, unless such modification is agreed to in writing by the Contractor and the County, and incorporated into a written amendment to the Contract. Except, County has the right to required revisions made in the scope of work necessary to meet new or revised rules, regulations, laws, policies, and standards. Such written requests shall be made to the Contract Administrator. Contractor shall advise the County upon receipt of any information pertaining to changes in laws, rules, or regulations affecting the operation of the Child Support Enforcement Program. It shall be the responsibility of the Contractor to keep its staff up to date about all changes. Any changes needed in order to for the Contractor to meet its duties under Section 1.2.1 shall not constitute an amendment to this Contract.

2.3 Contract Period

This Contract shall be effective for a one year period, commencing on 1 September 2009, and terminating on 1 September 2010.

2.5 Termination of Contract

The Contract shall be subject to termination provisions set forth herein. The Contract may be terminated by the County for the following reasons, to wit: default, convenience, and/or unavailability of funds/bankruptcy.

2.5.1 Termination for Default

If the Contractor shall fail to perform its Contractual obligations and duties, after having been given a reasonable opportunity to do so, the County shall thereupon have the right to terminate this Contract by mailing written notice to the Contractor of such termination and specifying the effective date thereof. A reasonable opportunity to perform under this Contract is defined as within thirty (30) days of the date of notification.

The Contractor is not deemed to have failed to perform if its failure is the result of a substantial and/or material breach of contract by the County or a mistake or error by the North Carolina Department of Health and Human Services.

2.5.1.1 Payments Upon Default

In the event of termination for default, the Contractor shall be paid for actual costs incurred. Section 2.19 would not apply to this situation. Contractor shall be reimbursed for its actual cost associated with providing child support services prior to the date of termination of contract.

2.5.1.2

If the Contract is terminated for default, the Contractor shall be liable to County for any and all damages of any type and nature sustained by County and arising out of or relative to said breach. In such event, County shall have the right to pursue Contractor for any and all legal remedies available to County as a result of said default including pursuing payment on contractor's insurance provided as an incident and condition of this contract.

THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.

2.5.2 Termination for Convenience

(a) County may terminate without cause in whole or in part whenever for any reason, in its sole discretion, County shall determine that such termination is in the County's best interest. If County terminates the Agreement for convenience, the Contractor shall be paid its actual costs for services rendered. Section 2.19 would not apply in this situation.

(b) In the event that the County exercises its right to terminate the contract for convenience, the County shall notify the contractor at least ninety (90) days prior to such termination.

2.5.3 Transition

Contractor will ensure the integrity of all data during the period between the decision to terminate and the time when the County has fully assumed operations. The Contractor will make key staff available to the county to assist in the transition from Contractor to County operations.

2.6 Assignment

The Contractor shall not assign or transfer any interest in this Contract.

2.7 Place of Contract

It is agreed between the parties hereto that the place of this Contract, its situs and forum, shall be in the State Courts of North Carolina in Yancey County, North Carolina, and in said County and State shall all matters, whether sounding in Contract or tort relating to the validity, construction, interpretation, and enforcement of this Contract be determined.

2.8 Record Retention, Inspection, Audits

The Contractor agrees to maintain fiscal books, records, documents, and other evidence which reflect all direct and indirect costs expended under this Contract. The Contractor shall maintain an accounting system in accordance with generally accepted accounting principles. The County, State or the Federal government shall have the right to inspect such records at its convenience.

It is understood and agreed by the Contractor that the Contractor shall be liable for any State or Federal audit exceptions and shall return to the County all payments made under the Contract to which exception has been taken or which has been disallowed because of such an exception.

The Contractor shall agree to the conditions of 45 CFR, Part 74.24(a), (b), and (d) and the Department of Social Services Records Retention and Disposition schedule regarding retention and access requirements relating to all financial and programmatic records, support documents, statistical records, and other records of this Contract. In addition, the Contractor shall agree to

the following terms regarding record retention of Contract records and access for government officials.

Unless County specified in writing a shorter period of time, the Contractor agrees to preserve and make available all other pertinent books, documents, papers, and records of the Contractor involving transactions related to the Contract for a period of five years from the date of expiration or termination of Contract. Records involving matters in litigation shall be kept until the later of the following two dates: one year following the termination of litigation or for five years from the date of Contract termination.

The parties agree that the records subject to audit shall be limited to records related to this project, and specifically excludes records relating to Contractor's general policies and information on Contractors overhead and profit rates.

2.9 Waiver of Breach

Waiver of any breach of any term or condition of this Contract shall not waive any prior or subsequent breach. No term or condition of this Contract shall be held to be waived, modified or deleted except by written instrument signed by the parties hereto.

2.10 Qualifications of Contractor Staff

The Contractor shall warrant that all persons assigned by it to perform this Contract shall be fully qualified to perform the work herein. The Contractor shall maintain an office in Yancey County and shall staff this office in a manner that provides clients with regular times for in-office contacts. The Contractor shall also obtain the services of a Contract Attorney who is mutually acceptable to the Contractor and the County.

2.11 Indemnification and Relationship of Parties

The Contractor shall be an independent Contractor, licensed and solely responsible for the employment, acts and omissions, control, and direction of its employees. The Contractor shall save and keep harmless and indemnify the County against any and all liability arising out of the operations or performance of the work by the Contractor or its employees in connection with the Contract. The Contractor shall not be deemed an employee of the County.

2.12 Insurance

The Contractor shall acquire and maintain insurance coverage in the amount of \$1,000,000.00 to protect the County, its agencies, its employees, its customers, and the general public against any loss, damage, and/or expense associated with the operation of the Child Support Enforcement Program. The Contractor shall defend, at contractor cost, and all claims asserted against the County, its agents, or employees arising from the provision of child support services. The County will cooperate with the Contractor and may participate in the defense at the County's expense, at the County's sole discretion. No settlements in any of the claims will be entered into by Contractor, except upon the prior written consent of the County. The insurance

coverage shall include a general liability, malpractice insurance, and other appropriate professional liability. The County shall be named as a co-insured and entitled to all notices issued under the policy, to cover claims that may arise out of or result from the Contractor's services hereunder. Written evidence of insurance shall include, but shall not be limited to: effective dates of coverage; limits of liability; insurer's names, policy numbers, endorsement or representatives of the insurance company. The evidence of insurance must be submitted upon award of the contract. In the event the insurance coverage is cancelled, the County must be notified within thirty (30) days prior to the cancellation of any coverage under the policy.

2.13 Permits, Licenses, Taxes, and State Regulation

The Contractor shall procure all necessary permits and license and abide by all applicable laws, regulations and ordinances of all Federal, State, and Local governments in which work under this Contract is performed.

2.14 State and/or County Property

The Contractor shall be responsible for the proper custody and care of any County or State owned property furnished for the Contractor's use in connection with the performance of this Contract, and the Contractor shall reimburse the County and/or State for its loss or damage, normal wear and tear excepted. Any such property or equipment will be returned to the County at the end of the contract or when no longer used.

2.15 Site Rules and Regulations

The Contractor shall use its best efforts to ensure that its employees and agents, while on State and/or County premises, shall comply with site rules and regulations of the State and/or County.

2.16 Invoice and Payment

The Contractor shall invoice for one-twelfth of the fee at the end of each month.

The County shall make payments for the invoiced amount within 14 days of receiving the invoice.

2.17 Compliance With Civil Rights Laws-Equal Opportunity Employment

The Contractor hereby assures that it shall comply with Title VII of the Civil Rights Act to the end that no person shall, on the grounds of age, race, creed, sex, or national origin be excluded from participation in, be denied the benefits of, be otherwise subjected to discrimination under this Contract or under any project, program or activity supported by this Contract.

The nondiscrimination clause contained in Section 202 Executive Order 11246, as amended by Executive Order 11375, relating to Equal Employment Opportunity for all persons

without regard to race, color, religion, sex, age or national origin and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

Program for Employment of the Handicapped (Affirmative Action): Regulations issued by the Secretary of Labor of the United States in Title 20, Part 741, Chapter VI, subchapter "c" of the Code of Federal Regulation, pursuant to the provisions of Executive Order 11758 and Section 503 of the Federal Rehabilitation Act of 1973 and the American Disabilities Action of 1992 are incorporated herein.

2.18 Force Majeure

Neither the Contractor nor County shall be deemed to have breached the contract if the failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of either party. Such causes may include, but are not restricted to, acts of God, fires, quarantine restrictions, freight embargoes and/or computer system failures. If Contractor's failure to perform is not the result of causes beyond its control or acts of God, Contractor will be liable.

2.19 Compensation

The County shall pay the Contractor a fixed fee of:

\$84,000.00 per year.

for the services provided under this Contract from 01 September 2009 through 30 September 2010. Payments shall be made in accordance with the schedule listed in Section 2.16. The amount of the fee shall be adjusted if the Contractor is required to process Child Support Enforcement cases that, at the time of contract execution, are handled by the Clerk of Court.

If any costs reimbursed to the Contract should later be disallowed by any audit or subsequently be denied for reimbursement by the Federal government, the Contractor shall reimburse the County for such disallowed costs.

2.20 The Contractor shall not subcontract any of the work under this contract without the prior written approval of the County.

2.21 Notice and Invoices

All notices shall be delivered to the County at the address below or such other address or party as designated.

Nathan R. Bennett, County Manager
Room One, Courthouse
Burnsville, NC 28714

All notices shall be delivered to the Contractor at the address below or such other address or party as designated.

D & D Collections, LLC
242 Dale Street
Burnsville, NC 28714; and,

D & D Collections, LLC d/b/a
Yancey County CSEA
Post Office Box 579
Burnsville, North Carolina 28714.

Either party may change its address for notification purposes by giving notice of the change and setting forth the new address and an effective date.

3.0 Severability

If any term or condition of this Contract or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the Terms and Condition of this Contract are declared severable.

4.0 Contract Administrator

The Contract Administrator for the County is the County Manager or his/her designee. Such other designation shall be in writing.

5.0 Pre Audit Certification

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


Lynn Mensley, Finance Officer

Date: 10/13/2009

IN WITNESS WHEREOF, the Contractor and County have executed this agreement in quadruplicate, one of which is retained by each of the parties and one sent to County, and an additional copy for the County Finance Director, effective the day and year first above written.

Yancey County

By: 
Nathan R. Bennett, County Manager

Witness:


Attest (Seal)

D & D Collections, LLC

BY: *Dennis D. Wilson*
Dennis D. Wilson, Member of D & D Collections, LLC

Witness:

John K. Harrell
Attest