

**Lakeshore Regional Entity
Letter of Understanding (LOU)
For Transition Manager**

October 7, 2020

Mr. William Riley
3191 Matecumbe Key Road #405
Punta Gorda, FL. 33955

Dear William,

This letter is submitted as a statement of understanding as to the nature and scope of an agreement between Lakeshore Regional Entity (“LRE”) and you to serve as the Transition Manager (“TM”) for the Lakeshore Regional Entity:

- 1) **Position:** You will be assuming the role of Transition Manager of the LRE on an interim basis effective October 8, 2020 responsible for assisting with duties and obligations to manage and oversee all activities of the LRE until a new full time Chief Executive Officer (CEO) is hired or until this agreement is otherwise terminated as provided below. This is to include the possible assumption of the role of Interim Chief Executive Officer at the direction of the Board of Directors.
- 2) **Term of Appointment:** Your appointment will end on October 15, 2020 subject to LRE board approval of a final contract.
- 3) **Compensation:** Your compensation for this service will be paid to you at the rate of \$180/hour for a minimum of 25 hours and a maximum of 40 hours per week. Time exceeding 40 hours in a week must be pre-approved in writing by the Chairperson of the Board of Directors. The LRE will also pay any travel expenses incurred related to work performed per this LOU. Any expenses must be pre-approved and in writing. You are to prepare and submit a statement of hours worked and expenses on a bi-weekly basis to the Chairperson of the Board of Directors. The LRE shall pay within 14 days of receipt of invoice containing a description of the hours and services provided.
- 4) **Special Assignments:** Your responsibility as TM will be to assist the LRE Board in fulfilling responsibilities involving : contract negotiations, management and monitoring of delegated functions, work collaboratively with Operations Committee of CMHSP CEOs, ensure compliance with all PIHP Policy and Procedures, work with MDHHS and other entities, until such time as a new CEO assumes responsibilities. In all respects, you will serve at the discretion of the LRE Board of Directors and are to report to and equip the Board of Directors as to matters involving the LRE.

5) **Liability and Risk:** As the TM, your activities in furtherance of this responsibility will be covered by the LRE available and existing insurances, and your functions are understood to be as a quasi-governmental official cloaked with such immunities as are afforded a public official.

6) **Compliance With Applicable Policy and Laws:** Both parties shall be responsible for complying with LRE policies and procedures and all applicable federal, state and local laws, regulations and restrictions in the performance of their obligations under this Agreement. In performing their duties and responsibilities under this Agreement, the parties hereto shall comply with all applicable federal and State laws, rules and regulations prohibiting discrimination. Neither of the parties hereto shall discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position, as required pursuant to the Elliott Larsen Civil Rights Act of 1976 PA 453, as amended and Section 504 of the Federal Rehabilitation Act 1973, PL 93 112, 87 Stat. 394.

7) **Conflict of Interest:** TM may not engage in any transaction, arrangement, proceeding or other matter or undertake positions with other organizations that involve a Conflict of Interest, except in compliance with this Policy. Covered Persons should avoid not only actual but the appearance of Conflicts of Interest as well. A Conflict of Interest arises when a Covered Person participates or proposes to participate in a transaction, arrangement, proceeding or other matter for the LRE, in which the Covered Person, the Covered Person's Family Member, or an organization in which the Covered Person is serving as an officer, director, trustee or employee has a Financial Interest. TM shall submit a Financial Interest Disclosure Statement listing all Financial Interests and affirming compliance with the LRE's Conflict of Interest Policy.

8) **Independent Contractor:** In performing responsibilities under this Agreement, it is expressly understood and agreed that the TM's relationship to the LRE is that of an independent contractor. This Agreement shall not be construed to establish any principal/agent or joint venture relationship between the LRE and TM. It is expressly understood and agreed by the parties that neither the TM nor its employees shall in any way be deemed to be, or hold themselves out as, employees of Entity. Except as otherwise provided herein, TM and employees of TM shall not be entitled to any fringe benefits from LRE, including but not limited to, health and accident insurance, life insurance, professional liability insurance, longevity, economic increases, or paid vacation and sick leave. TM shall be responsible for paying all salaries, wages, or other compensation due employees of TM and for withholding and payment of all applicable taxes, including, but not limited to, income taxes and social security. Entity shall not be responsible for providing TM, as an independent contractor, with workers' compensation coverage. TM, as required by law, shall be responsible for providing workers' compensation and unemployment insurance coverage for TM's employees.

9) **Confidentiality:** You further agree to maintain confidentiality as to the activities, finances and the policies of the LRE and its Members. This will include any data, report, processes, or any other information you may have acquired about other employees, staff, vendors and providers that is not otherwise public information. TM shall not disclose any LRE confidential information to any person or organization during the term of this Agreement, or thereafter, without the prior

written consent of the LRE. The confidentiality provisions of this Agreement do not apply to information that is entirely in the public domain; is required to be disclosed by court order; was known by the party prior to access to the information; was received lawfully from a third party through no breach of any obligation of confidentiality owed to the other party; or is created by the TM's employees independently of the other LRE's confidential information, as shown in the TM's written records. In consideration that TM may have access to Protected Health Information (PHI), a separate Business Associate Agreement (BAA) will also be required.

10) **Non retention:** The LRE agrees that it will not retain you in any other capacity other than as the TM as described in this letter or a subsequently negotiated extension of these obligations.

11) **Consent:** As indicated by the signatures below of all parties to this, this Agreement sets forth the entire understanding between the parties and supersedes all prior understandings, whether written or oral, between the parties and their affiliates regarding the subject matter contained herein. This Agreement cannot be amended except by a writing signed by both parties. Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions hereof.

12) **At-Will Nature of the Retention:** While your retention as the TM is pursuant to this written Letter of Understanding it is expressly understood that the terms of your retention are to be deemed to be "at will" as that term is defined in Michigan law.

Mark DeYoung
LRE Chair of the Board of Directors

William Riley
Transition Manager

Stanley J. Stek
LRE Vice-Chair of the Board of Directors

Reviewed and Approved by the LRE Board of Directors on October 16, 2020.

LRE Secretary