MEMORANDUM OF UNDERSTANDING (MOU)

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into this ____ day of _____, 2026 ("Effective Date"), by and between Polk County, North Carolina, a political subdivision of the State of North Carolina ("County"), and St. Luke's Hospital, Inc DBA St Luke's Legacy Fund ("St. Luke's"). The County and St. Luke's may be referred to individually as a "Party" and collectively as the "Parties."

1. PURPOSE

The purpose of this MOU is to document the Parties' mutual understandings of the terms and conditions under which St. Luke's Hospital, Inc DBA St Luke's Legacy Fund will agree to assist in funding the County with a three (3) million dollar donation for the design and/or construction of the Polk County Community Recreation Facility (the "Project"). The Polk County Community Recreation Facility shall hereinafter be referred to as the "Facility."

2. PROJECT DESCRIPTION

The County will own the Facility, and the YMCA will operate and manage the Facility under the terms of a future long-term lease ("Lease") and management agreement ("Management Agreement"), each of which will be mutually acceptable to the Parties and in accordance with North Carolina law.

The Facility will be designed to serve the needs of the County and its residents. Once plans for the Project are formalized, the County shall not materially modify the scope, purpose, or core recreational programming of the Project without first consulting with the YMCA.

3. DONATION FUNDS AND INITIAL TRANSFER

St Luke's Hospital Inc. DBA St Luke's Legacy Fund agrees to participate in the funding of the Project by donating three (3) million dollars to Polk County for the purposes of designing/building the new Facility within 30 days of the approval of this MOU by both the St Luke's Hospital Inc. DBA St Luke's Legacy Fund and the Polk County Board of Commissioners.

4. ADDITIONAL DONATION TRANSFERS

The St Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board reserves the right to donate additional dollars to the project, at its discretion. If additional dollars are donated, they will be governed by this MOU.

5. USE OF FUNDS

The County shall keep the funds dedicated to the construction of the Facility in a specified capital project fund to be used only for eligible Project costs, in compliance with North Carolina law. Eligible costs include design, engineering, make-ready work, construction, and site preparation. The County shall maintain complete financial records related to the expenditure of donated funds and shall provide the St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board with quarterly financial reports

detailing the use of the funds. The St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board shall have the right, upon reasonable notice, to review and audit records relating to the expenditure of funds donated to the County for the Facility. Nothing in this provision authorizes the St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board to direct or control County financial, procurement, contracting, or audit functions.

6. FAILURE TO CONSTRUCT

If the Project is terminated for any reason, the County shall return all unexpended and unobligated funds donated for the Project by the St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board back to the St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund Board.

7. OWNERSHIP AND LEASE AND OPERATIONAL INTENT

The Facility shall remain County owned. The facility will be leased and managed by the YMCA of Greater Spartanburg.

8. COMPLIANCE WITH LAW

This MOU and the Project shall comply with G.S. 153A-149, G.S. 153A-444, and G.S. 153A-449; Article 18 of Chapter 160A; Chapter 159; Article 8 of Chapter 143; and all other applicable general statutes.

9. TERM

This MOU shall remain in effect until:

(a) Project completion;

(b) termination by mutual written agreement of the Parties; or

(c) termination by either Party upon material breach by the other Party following thirty (30) days' written notice and opportunity to cure.

Either Party may terminate this MOU, without cause, if the Project becomes financially unachievable, legally impracticable, or if required governmental approvals are not obtained.

10. AUTHORIZATION

This MOU shall become effective upon approval by the Polk County Board of Commissioners and St. Luke's Hospital, Inc. DBA St Luke's Legacy Fund. Each individual executing this MOU represents and warrants that he or she has the full authority and authorization to bind the respective Party.

11. PUBLIC COMMUNICATIONS

The Parties shall coordinate in good faith regarding major public announcements, donor communications, and press releases relating to the Project.

MEMORANDUM OF UNDERSTANDING (MOU)

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals as of the Effective Date hereof.

POLK COUNTY, NORTH CAROLINA

By: _____

Name: Myron Yoder

Title: Chairman, Polk County Board of Commissioners

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

By: _____

Name: Sonya Ayers

Title: Polk County Finance Officer

St. Luke's Hospital Inc. DBA St Luke's Legacy Fund

By: _____

Name: _____

Title: _____