

Office of the Chancellor

4301 W. Markham St., #541
Little Rock, AR 72205-7199

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www.uams.edu
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Daniel W. Rahn, M.D.
Chancellor
The Harry P. Ward Chancellor's Chair

UAMS

UNIVERSITY OF ARKANSAS
FOR MEDICAL SCIENCES

December 11, 2012

Ms. Melony Goodhand, J.D., CPA, M.S.
Vice Chancellor for Finance and CFO
University of Arkansas for Medical Sciences
4301 West Markham St., Slot 632
Little Rock, AR 72205

Dear Melony:

I am writing to follow-up on our letter of November 26, 2012 and our discussion yesterday in which you advised me that you have obtained new employment effective January 15, 2013.

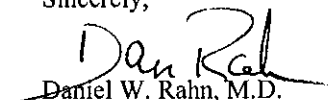
While our letter of November 26th contemplated that your resignation from UAMS would occur later than this, with the expectation that there would be a transition period during which UAMS would seek a new CFO, nevertheless, I am happy that you found other employment out of state to your liking. I wish to confirm that UAMS will honor the commitment to pay you one year's salary from the date of your resignation from private funds in equal monthly amounts subject to applicable withholding in consideration for the non-compete agreement contained in the November 26 letter, as well as for your agreement, to the extent consistent with your new employment, to make yourself available to communicate with me and others at UAMS to assist in dealing with ongoing matters as well as the transition to a new CFO.

UAMS will also pay you an amount sufficient to reimburse you for the cost of COBRA coverage for medical and dental insurance. You will be obligated to pay applicable taxes on these payments for benefits and these payments for benefits will terminate when medical and dental benefits commence with your new employer. You will make every reasonable effort to have these benefits with your new employer commence as soon as possible. In exchange for ongoing support, we will allow you to keep your assigned laptop and iPad for timely communications and access to information you will need to answer questions. You will return these to UAMS when I request. You are also expected to abide by any confidentiality agreements to which UAMS is a party. I understand also that you will share with me the content of any public announcement of your new employment and likewise I will share with you any communications that UAMS may put out in the form of a press release.

If this letter correctly sets out our current understanding please sign where indicated below and return a signed copy to me.


I wish you the best in your new employment and thank you for your years of service to UAMS.

Sincerely,


Daniel W. Rahn, M.D.
Chancellor

cc: Dr. Donald R. Bobbitt, President

AGREED:


Melony Goodhand, J.D., CPA, M.S.



Office of the Vice Chancellor for Finance

4301 West Markham Street, #632
Little Rock, AR 72205-7199

501-686-5670
501-686-8137 (fax)
email: goodhandmelony@uams.edu



Melony Williams Goodhand, JD, CPA, MS
Vice Chancellor for Finance
Chief Financial Officer

December 10, 2012

Daniel Rahn, MD
Chancellor
UAMS

Dear Dr. Rahn:

This letter is in follow-up to my email on December 2 and our discussion the next day and is to resign my position as Vice Chancellor and CFO at UAMS. As we discussed last Fall, I am interested in moving into a more operations oriented position because I want to be able to impact and improve patient care. I want to be part of a Family and Patient Centered Care movement to inspire caregivers to consider first the patient and their needs. I applaud your movement to do this at UAMS.

I have accepted a position as COO of a hospital in Tennessee and will start in January. As I wrote last Monday, I plan to leave in 30 days or less from last Monday. I will assist you with a smooth transition and stay connected to assist as necessary from afar. I am also willing to come back to UAMS if needed for a specific purpose/meeting.

I have enjoyed working with you and admire the patient improvements you have lead. I will miss UAMS and the many great people who work here and are committed to taking care of patients and improving health through research and the training of health professionals.

I will work with you to ensure a smooth transition and my strong team of Jake Stover, David Wilcox, Christy Walters, Bill Waldron, and Ken Harrison are ready to continue the finance function in good stead.

Sincerely,

A handwritten signature in cursive script that reads "Melony Goodhand".

Melony Goodhand

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FOR MEDICAL SCIENCES

November 26, 2012

Ms. Melony Goodhand, J.D., CPA, M.S.
Vice Chancellor for Finance and CFO
University of Arkansas for Medical Sciences
4301 West Markham St., Slot 632
Little Rock, AR 72205

Dear Melony:

I wish to address our recent discussions concerning your employment at UAMS and a non-compete agreement after you leave UAMS. You recently applied for and were not selected for the position of Chief Executive of UAMS Medical Center and Vice Chancellor for Clinical Programs and you have expressed a desire to pursue other opportunities and try to move closer to Hospital operations. In view of the credentials you have acquired throughout your career and your experiences with UAMS and before, I understand your desire to redirect your career in this way.

I also recognize the commitments which I made to you two years ago in my letter of December 6, 2010 and wish now to set forth and replace that with our current understandings contained in this letter. You have indicated that you will resign your employment at UAMS in writing within sixty (60) days to be effective on or before July 1, 2013 and that upon your resignation UAMS may then make this public in an announcement which I will review with you prior to making it public. UAMS will then begin the search process for your replacement. Upon termination of your employment, UAMS will pay you one year's salary from private funds in equal monthly amounts, subject to applicable withholding, and in addition will pay you an amount sufficient to reimburse you for the cost of COBRA coverage for medical and dental insurance. You will be obligated to pay applicable taxes on these payments for benefits and these payments for benefits will terminate the earlier of one year after your termination of employment or when you obtain other employment with medical and dental benefits.

Further, in consideration of paying the foregoing amounts following the termination of your employment, you have acknowledged that because of the amount of strategic, confidential and sensitive information you have acquired concerning financial matters at UAMS, as well as business information, alignment strategies, and other confidential and sensitive information, you agree not to be employed by, or to consult with, a competing acute care hospital within a fifty (50) mile radius of Little Rock for one year following the termination of your employment. This

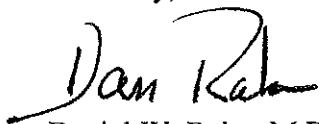


non-compete agreement is particularly important right now because of negotiations with St. Vincent Health System and the exploratory discussions concerning partnership or alignment of other hospitals in Arkansas to prepare for health reform.

You have also agreed to cooperate to ensure a smooth transition with a new Vice Chancellor of Finance by providing information, answering questions, staying in touch by e-mail and possibly returning to the campus if I request your help. In exchange for ongoing support, we will allow you to keep your assigned laptop and iPad for timely communications and access to information you will need to answer questions. You will return these to UAMS when I request. Also, prior to the date your employment terminates, I will be lenient in granting annual leave time for you to pursue other employment opportunities. Finally, you agree that UAMS shall be free to release this letter and the December 6, 2010 letter in response to any request for such records under the FOIA provided that we notify you of the request within a reasonable time after it is made.

I believe this accurately sets forth our understandings and if you agree to these terms, please sign where indicated below and return a copy of the letter to me. I appreciate your service to UAMS and wish you the best for the future.


Sincerely,



Daniel W. Rahn, M.D.
Chancellor

cc: Dr. Donald R. Bobbitt, President
University of Arkansas System

AGREED:



Melony Goodhand, J.D., CPA, M.S.

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Chancellor

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December 6, 2010

Ms. Melony Goodhand, JD, CPA, MS
Vice Chancellor for Finance and CFO
University of Arkansas for Medical Sciences
4301 West Markham St., Slot 632
Little Rock, AR 72205

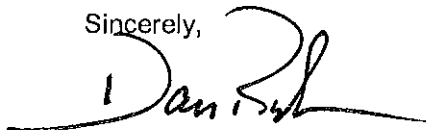
Re: Employment

Dear Melony:

I understand that you have declined a generous offer of employment elsewhere. I am pleased that you have decided to stay in your current position as Vice Chancellor for Finance at UAMS. I am writing this letter to confirm the commitments I have made to you subject to all applicable policies of the institution and the Board of Trustees. Your annualized salary for the current fiscal year will be \$306,000 beginning December 1, You are aware that this salary must be approved by the Board of Trustees. In addition you will receive \$500 per month automobile allowance paid from non-state sources. I wish to confirm that notwithstanding Policy 405.4 of the Board of Trustees providing that staff employees may be terminated without cause on 30 days written notice, I wish to assure you that in the event of your termination without cause, you will be furnished written notice of one year and I will determine that during this time you shall either continue your employment in your current position at UAMS, be placed in other employment at UAMS for the same salary and benefits, or accept a severance payment from private funds donated to UAMS equal to the amount of salary and benefits remaining until your termination date, such amount to be paid in monthly installments and subject to all applicable withholding for taxes. In the event of a termination without cause on one year's written notice you will be expected to make a good faith effort to mitigate the amount to be paid by UAMS by obtaining other employment, and in such event, the amount payable by UAMS will be reduced by the amount of your compensation from other employment.

I believe that this meets the request you made in our recent discussion and if you agree to these terms, please sign where indicated below and return a copy of the letter to me.

Sincerely,



Daniel W. Rahn, M.D.
Chancellor

cc: Dr. B. Alan Sugg, President, UA System

AGREED:

Melony Goodhand - Please add attached letter summarizing
Melony Goodhand, JD, CP, MS other discussion to file.