

STATE OF NORTH CAROLINA)
)
COUNTY OF STOKES)
)

OFFICE OF THE COMMISSIONERS
STOKES COUNTY GOVERNMENT
DANBURY, NORTH CAROLINA
APRIL 26, 2016

The Board of Commissioners of the County of Stokes, State of North Carolina, met for a Special Called Emergency Session in the Commissioners' Chambers of the Ronald Wilson Reagan Memorial Building (Administration Building) located in Danbury, North Carolina on Tuesday, April 26, 2016 at 2:15 pm with the following members present:

Chairman J. Leon Inman
Vice Chairman James D. Booth
Commissioner Jimmy Walker
Commissioner Ernest Lankford
Commissioner Ronda Jones

County Personnel in Attendance:
County Manager Richard D. Morris
Clerk to the Board Darlene Bullins
County Attorney Tyrone Browder

Chairman Inman called the emergency meeting to order and welcomed those in attendance today.

INVOCATION

Chairman Inman invited those who wished to join in the invocation to please do so.
Commissioner Walker delivered the invocation.

GENERAL GOVERNMENT-GOVERNING BODY-PLEDGE OF ALLEGIANCE

Chairman Inman invited the citizens in attendance to join the Board in the Pledge of Allegiance.

CLOSED SESSION

Chairman Inman entertained a motion to enter Closed Session for the following:

- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to G.S. 143-318.11(a)(3)

Commissioner Lankford moved to enter Closed Session for the following:

- To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged pursuant to G.S. 143-318.11(a)(3)

Commissioner Jones seconded and the motion carried unanimously.

The Board re-entered the open session of the April 26th Emergency Meeting.

Chairman Inman entertained a motion.

Commissioner Walker moved to approve the following Letter of Intent between Pioneer

Health Services and the County of Stokes as submitted by County Tyrone Browder at the

April 25, 2016 meeting:

Letter of Intent

Pioneer Health Services of Stokes County, Inc., a North Carolina corporation (“Pioneer”), and The County of Stokes, North Carolina, acting on its behalf by the Board of Commissioners (“County”), contemplate the transfer of certain assets of Pioneer Community Hospital of Stokes (“Hospital”). This document is intended to outline the key terms and conditions upon which Pioneer and the County are generally willing to pursue the negotiation of an operations transfer agreement (“Agreement”) as described herein. The terms of this Letter of Intent are not binding upon any party hereto, but are solely for the purpose of establishing a framework with which to prepare a draft of the Agreement. The parties will use reasonable efforts in negotiating in good faith to create a definitive and binding Operations Transfer Agreement.

The following terms and conditions are contemplated by the parties to be included in the proposed Definitive Agreement. Additional terms and conditions may be added as the transaction is negotiated.

1. **General Terms.** County will assume the operations constituting the Hospital from Pioneer under an interim management agreement for a maximum term of six (6) months. At the end of such six (6) month term (the “Closing Date”), or upon receipt of necessary licensure and regulatory approvals (including provider numbers), the operations of Hospital will transfer to the County, together with all furniture, fixtures, equipment and inventory used in Hospital operations, free of any liens or encumbrances and otherwise on the terms set forth in the Operations Transfer Agreement. The primary goal of the interim management agreement is continued operation of the hospital as currently operated with all of its current services (except for the Emergency Room in King, NC, which has been closed), and until implementation of the interim management agreement,

Pioneer will continue such operations consistent with past practice. The parties will implement the interim management agreement as soon as possible, and in any event by May 31, 2016. Under the interim management agreement, the County will have control of all operational decisions regarding the Hospital. During the term of the interim agreement, all revenues will be retained by the County and all expenses from hospital operations will be paid by the County.

2. Employees. Upon commencement of the term of the interim management agreement, County will hire substantially all of the employees in the Hospital. Pioneer will be responsible for all accrued payroll and benefits up to the date the employees are hired by the County.
3. Representations and Warranties; Indemnities. The Operations Transfer Agreement will contain representations, warranties, covenants, conditions and indemnification provisions customary for operations management arrangements. The County will not assume any liabilities of Pioneer arising from or during pre-closing operation of the Hospital, other than obligations arising after closing under equipment leases or similar contracts needed for continued Hospital operations.
4. Transaction Expenses. The County, on one hand, and Pioneer, on the other hand, shall each bear and pay all costs and expenses incurred in connection with the transactions contemplated by the Agreement.
5. Confidentiality. Except as required by applicable law, all Confidential Information (as that term is defined herein) acquired by Pioneer or the County concerning the business, operations, and affairs of any other party will be kept confidential and will not be used for any purpose except for the consummation of the transactions contemplated hereby, or be disclosed to any other person or entity; provided, however that each of the parties may disclose the Confidential Information to their respective attorneys, accountants, or other advisors. "Confidential Information" shall include: any confidential documents provided by one party to the other party during the course of the negotiation of the Definitive Agreements or the transactions contemplated thereby and any items that are clearly marked as "Confidential Information" but shall not include any information generally available to the public, or any information already available to the receiving party from a source other than the disclosing party. The foregoing shall not prevent release of information pursuant to the North Carolina Public Records Act.
6. Non-Binding. Except with respect to Paragraphs 5 and 6 hereof, this letter is not a binding or legally enforceable agreement and imposes no obligations upon, and grants no rights to Pioneer or the County with respect to the Hospital. The rights and obligations of the parties with respect to the operations management agreement will be set forth in the Agreement, to be executed and delivered by the parties, and neither Pioneer or the County shall be obligated to consummate the management of the Hospital unless and until the parties execute and deliver such Agreement.

Acknowledged and agreed this ____ day of ____ 2016.

PIONEER HEALTH SERVICES, INC.

**STOKES COUNTY, NORTH CAROLINA
BOARD OF COMMISSIONERS**

By: _____

By: _____

Name: JOSEPH S. MCNULTY, III

Name: J. LEON INMAN

Title: CHIEF EXECUTIVE OFFICER

Title: CHAIRMAN

Vice Chairman Booth seconded and the motion carried unanimously.

Adjournment

There being no further business to come before the Board, Chairman Inman entertained a motion to adjourn the Emergency Meeting.

Commissioner Lankford moved to adjourn the Emergency Meeting. Vice Chairman Booth seconded and the motion carried unanimously.

Darlene M. Bullins
Clerk to the Board

J. Leon Inman
Chairman