

October 26, 2015

The Board of Commissioners of Franklin County, North Carolina, met for a Special Called Meeting at 10:00 A.M. in the Commissioner's Conference Room located in the County Administration Building with the following Commissioners present: Chairman Sidney E. Dunston, Vice-Chairman E. Shane Mitchell, Commissioners John M. May, Cedric K. Jones, David T. Bunn and Don Lancaster. Commissioner Harry L. Foy, Jr. arrived after the start of the meeting at approximately 10:57 A.M.

Chairman Dunston called the meeting to order.

I. CLOSED SESSION

The Board was asked to enter into closed session pursuant to North Carolina General Statute 143-318.11 (a)(3) – Attorney-Client Privileged Communication.

Commissioner Bunn made a motion to enter into closed session pursuant to North Carolina General Statute 143-318.11 (a)(3) – Attorney-Client Privileged Communication. The motion was seconded by Commissioner May and duly carried approval with all present voting "AYE."

The Board entered closed session at approximately 10:06 A.M.

At approximately 10:55 A.M., Commissioner Mitchell made a motion to enter back into open session, seconded by Commissioner Bunn. The motion duly carried approval with all present voting "AYE."]

Chairman Dunston then asked the Board to consider approving the material terms for incorporation into a final settlement agreement between Franklin County and the Town of Louisburg and Novant Health, Inc. and Louisburg/Novant, LLC. He read aloud the following terms for the Board's consideration:

1. Novant Health, Inc. will pay to Franklin County the sum of \$1,630,000 to support healthcare in Franklin County and in lieu of 2016 taxes to be paid to any entity.
2. On December 31, 2015, Franklin Medical Center (the "Hospital") and all related property of the Hospital that is transferable and that is not otherwise excluded by this Agreement shall become the property of Franklin County without any cost or expense to Franklin County and after December 31, 2015 Novant shall pay for all insurance at current levels of coverage which covers the facility, equipment, and supplies despite the fact that Franklin County shall have the insurance in its name as the holder of the insurable interest for a period of one year from the date of the Final Settlement Agreement. Novant shall be responsible for the insurance premiums described in this paragraph not to exceed \$36,000 per month.
3. The real property in Youngsville currently owned by the Hospital shall become the property of Novant Health, Inc.
4. The Parties will work together to continue maintenance of the hospital facility and all associated equipment in its and their current condition at the sole expense of Novant Health, Inc. for a period of one year from date of the Final Settlement Agreement unless a new operator of the hospital takes over the facility and opens and Emergency Department.
5. Novant Health, Inc. shall continue to hold the certificate of need to develop two operating rooms in Youngsville, NC and shall have the right to develop that facility as proposed in the CON Applications. In the event that the right of first refusal reference below is not exercised, Franklin County agrees to complete the documents necessary to allow for the transfer of one OR to the Youngsville facility.
6. Franklin County or its designee shall have a right of first refusal to purchase all rights to develop the two operating rooms in Youngsville, NC at the same price that any bona fide purchaser has agreed to pay.
7. The Parties shall develop a mutual release of all claims acceptable to both parties.

Commissioner Mitchell then made a motion to approve the material terms for incorporation into a final settlement agreement between Franklin County and the Town of Louisburg and Novant Health, Inc. and Louisburg/Novant, LLC as stated above. The motion was seconded by Commissioner May and duly carried approval with all present voting "AYE."

At 10:59 A.M., Commissioner Lancaster made a motion to adjourn, seconded by Commissioner May. The motion duly carried approval with all present voting "AYE"

Sidney E. Dunston, Chair

Kristen G. King, Clerk to the Board