

RESOLUTION NO. 2016-3

A RESOLUTION OF THE FLOYD COUNTY BOARD OF  
COMMISSIONERS TO AMEND THE HOSPITAL FUND

WHEREAS, Floyd County, Indiana (“Floyd County”) has established and heretofore owned the Floyd Memorial Hospital and Health Services (the “Hospital”); and

WHEREAS, the Floyd County Board of Commissioners and the Floyd County Council (collectively, “County Officials”) and the Hospital’s Board, pursuant to IC 16-22-3, have previously agreed to transfer the Hospital’s assets to Baptist Healthcare Systems (“Baptist”) pursuant to an Asset Purchase Agreement dated June 28, 2016 (the “Agreement”); and

WHEREAS, on September 30, 2016, Floyd County received the first installment of proceeds from the transfer of the Hospital’s Assets and will receive other distributions of proceeds (collectively the initial payment and other installment payments are “Proceeds”) in an amount sufficient to qualify for application of IC 5-13-9.3 et seq.; and

WHEREAS, on or about September 20, 2016, Floyd County Officials established a nonreverting fund (the “Hospital Fund”) for the deposit of the proceeds; and

WHEREAS, the Floyd County Auditor placed the Proceeds received on September 30, 2016, in the Hospital Fund; and

WHEREAS, pursuant to a promissory note, Floyd County will receive additional payments from the transfer of the Hospital’s assets in January of each year over a period of ten (10) years (“Financed Purchase Price”); and

WHEREAS, the Agreement provides the County Officials the ability to call the promissory note after three years with a one year notice provision so it may receive the remainder of the Financed Purchase Price; and

WHEREAS, Floyd County officials wish to establish the uses and parameters of the Hospital Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Floyd County, Indiana, that the Hospital Fund is amended as follows:

Section 1. Proceeds to be included in the Hospital Fund and administration of the fund. All amounts received by the County related to the transfer of the Hospital’s Assets to Baptist Health Network shall be deposited and kept in the Hospital Fund until appropriated as authorized herein. The moneys deposited in the Hospital Fund shall not be commingled with, nor shall they be a part of the general funds of the County. The Hospital Fund shall be a nonreverting fund used solely for the purposes described herein.

Section 2. Authorized Expenditures. The Hospital Fund may be used for the following:

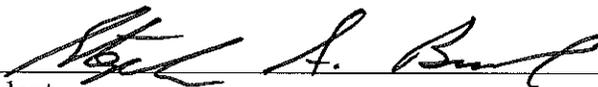
- (1) to make gifts, pursuant to IC 36-1-14-1, to the Community Foundation of Southern Indiana;
- (2) payment of legal and other expenses related to the transfer of the Hospital's assets to Baptist, the establishment of a permanent endowment, any legal action involving the Proceeds, any petition to the Indiana General Assembly for a legislative change(s) regarding the distribution of the Proceeds, or any legal matter related to the County receiving or administering Proceeds from the transfer of the Hospital's assets to Baptist;
- (3) transfer to a nonreverting fund for any use determined appropriate by the Council and Commissioners;
- (4) transfer to any nonreverting capital fund to be used for capital expenditures; or
- (5) transfer to the rainy day fund;

Section 3. No reversion of moneys to the general fund. There shall be no reversion of the Hospital Fund or any moneys placed into the Hospital Fund to the general fund of the County. Funds from the transfer of the Hospital's assets to Baptist may accumulate in the Hospital Fund.

Section 4. This ordinance shall take effect upon adoption of the County Commissioners and approval of the Board of Commissioners.

ADOPTED AND PASSED this 18<sup>th</sup> day of October, 2016.

FLOYD COUNTY BOARD OF COMMISSIONERS  
FLOYD COUNTY, INDIANA

  
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President

  
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Member

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Member