

RESOLUTION NO. 2016-4

A RESOLUTION OF THE FLOYD COUNTY BOARD OF
COMMISSIONERS TO ESTABLISH AN ENDOWMENT FOR THE
PROCEEDS FROM THE SALE OF FLOYD MEMORIAL HOSPITAL

WHEREAS, Floyd County, Indiana (“Floyd County”) established and heretofore owned the Floyd Memorial Hospital and Health Systems (“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 Health Network pursuant to an Asset Purchase Agreement dated June 28, 2016 (the “Agreement”); and

WHEREAS, Floyd County received a substantial amount of proceeds from the sale of the Hospital (the “Proceeds”) in an amount sufficient to qualify for application of IC 5-13-9.3 et seq.; and

WHEREAS, the Floyd County Officials desire to protect and restrict the use of the Proceeds and other subsequent additions of principal and therefore desire to establish an endowment as described in IC 36-1-14-1; and

WHEREAS, in order to establish an endowment, the Floyd County officials, pursuant to IC 36-1-14-1, selected the Community Foundation of Southern Indiana to hold the proceeds as a permanent endowment for the benefit of Floyd County.

NOW THEREFORE, BE IT RESOLVED BY THE Board of Commissioners of Floyd County, Indiana, that:

Section 1. Proceeds. On September 30, 2016, Floyd County received \$75,000,000 from the transfer of the Hospital’s assets to Baptist Health Network pursuant to the Agreement. The County will receive ten (10) additional installment payments in January of each year following the closing which will cumulatively total \$61,000,000, plus interest (collectively the initial payment and the additional payments are herein referred to as the “Proceeds”).

Section 2. Portion of Proceeds Donated to Community Foundation. County Officials authorized, pursuant to I.C. § 36-1-14-1, to donate a portion of the Proceeds to the Community Foundation of Southern Indiana (“Foundation”) to be placed in a permanent endowment for the benefit of Floyd County. In 2016 the County Officials authorized donating \$70,000,000 from the Proceeds received that year to the Foundation. In 2017, the County Officials authorized to donate all of the Proceeds received from Baptist Health in 2017, less \$6,000,000, to the Foundation. In 2017, the County Officials authorized to donate all of the Proceeds received from Baptist Health in 2018, less \$2,000,000, to the Foundation. In 2019, the County Officials authorized to donate all of the Proceeds received from Baptist Health in 2019, less \$2,000,000, to the Foundation. The County Officials authorized to donate all remaining Proceeds it receives in subsequent years to the Foundation. If the County receives a lump sum of the remaining

Proceeds as permitted by the Agreement, all of the Proceeds, less the amount detailed herein, shall be donated to the Foundation.

Section 3. Authorization of a Fund Agreement. The County Officials and the Foundation desire to enter into a Fund Agreement between the parties that memorialize their decisions and the parameters of the Fund Agreement. The Fund Agreement, substantially in the form as attached and incorporated by reference as Exhibit A. The County Officials hereby authorize their respective presidents or vice-presidents to complete negotiations and execute the Fund Agreement on behalf of the Council and Commissioners.

ADOPTED AND PASSED this 18th day of October, 2016.

FLOYD COUNTY BOARD OF COMMISSIONERS
FLOYD COUNTY, INDIANA



President



Member

Member